### **AGREEMENT**

THIS AGREEMENT is made as of May 28, 2008 (the "Effective Date") by and between Elephant Group, Inc., ("Elephant Group"), a Delaware corporation with its principal place of business located at 3303 West Commercial Blvd., Ft. Lauderdale, FL 33309 and Homes.org LLC, a wholly-owned limited liability company of Elephant Group Inc., (hereinafter referred to as "Elephant Group"), and ADT Security Services, Inc., a Delaware corporation (hereinafter referred to as "ADT").

#### WITNESETH:

WHEREAS, Elephant Group is in the business of promoting various consumer goods and services in the United States of America (the "U.S.");

WHEREAS, ADT is in the business of providing electronic security services to residences in the U.S., including the sale, installation, monitoring, and maintenance of electronic security systems in such residences directly or through its Authorized Dealer Program of independent contractor ADT Authorized Dealers (collectively, "Electronic Security Services");

**WHEREAS,** ADT Authorized Dealers, as independent contractors, (collectively, "ADT Dealers") are in the business of providing electronic security services to residences in the U.S., including the installation and maintenance of Electronic Security Systems in such residences.

WHEREAS, the parties desire for Elephant Group to promote and refer leads for acceptance by ADT Authorized Dealers, and for ADT Authorized Dealers to sell and install Electronic Security Services to such Elephant Group referrals/leads (collectively, "Elephant Group Referral/Leads") as provided herein and further described in <a href="Exhibit B">Exhibit B</a> attached hereto and made part of this Agreement (the "Marketing Program");

WHEREAS, Elephant Group and ADT entered into an agreement dated June 14, 2007 ("First Elephant Group Agreement") to market, promote, and refer leads for acceptance by ADT and the parties now wish to authorize Elephant Group to market, promote, and refer leads for acceptance by ADT Authorized Dealers in lieu of ADT;

WHEREAS, the parties wish to replace and supersede entirely the 2007 First Elephant Group Agreement with the terms of this Agreement as of the Effective Date;

WHEREAS, Elephant Group wishes ADT to allow it the use of the ADT's name and trademarks in connection with the Marketing Program and to allow Elephant Group to promote to Elephant Group Referrals/ Leads, the ADT products and services described in Exhibit A;



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**NOW,** THEREFORE, for and in consideration of the promises and covenants contained herein and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

- 1. Compensation. As total compensation for the overall marketing efforts described in this Agreement the parties agree to the commission schedule as provided herein and further described in <a href="Exhibit C">Exhibit C</a> attached hereto and made part of this Agreement (the "Commission Schedule"), which payment of commissions to Elephant Group shall be the sole obligation of ADT Dealers and not of ADT.
- 2. Reporting. Subject to the confidentiality provisions of this Agreement, ADT shall provide Elephant Group with such information regarding ADT Dealer sales initiated by Elephant Group (as described in <a href="Exhibit B">Exhibit B</a>) as is reasonably necessary for calculating commissions due to Elephant Group under Exhibit C.
- 3. Marketing Program. In furtherance of this Agreement, Elephant Group shall perform the Marketing Program as provided herein and as further described in <u>Exhibit B</u> attached hereto and made part of this Agreement.
- (a) ADT shall have the right, in its absolute discretion, to review, modify, and approve or object to any promotional materials prepared by Elephant Group pertaining to ADT's Equipment and/or Services. Elephant Group shall submit to ADT for its review and approval all promotional materials prepared by Elephant Group pertaining to ADT's Equipment and/or Services. ADT will make reasonable commercial efforts to reply to such requests within ten (10) business days of receipt of said materials from Elephant Group.
- Elephant Group agrees that its authority under this Agreement shall be strictly limited to the advertisement and promotion of orders for the Equipment and Services set forth in Exhibit A and any such other Equipment and Services which may be agreed to in writing or e-mail signed by an ADT authorized representative at the Director level or above. In the advertising solicitation and in the performance of this Agreement generally, Elephant Group shall not have the right or authority to make any verbal or written representations, promises, conditions, inducements or warranties, express or implied, with regard to ADT Equipment and/or Services not previously set forth in writing by ADT. Elephant Group shall not have the right or authority to create any obligation of any kind on behalf of ADT, particularly including, but not limited to, the right or authority to in any way modify any of the terms of any ADT agreement, including the ADT Authorized Dealer Residential Alarm Services Agreement (the ADT approved form of customer contract used by ADT Authorized Dealers), including but not limited to the limit of liability and the warranty provisions covering the ADT Equipment and Services involved. In connection with its marketing efforts Elephant Group shall make clear that the sale of such Equipment and Services is by ADT or an ADT Authorized Dealer and not a sale by Elephant Group.
  - 4. Trademarks and Trade Names.

4.1 Grant by Elephant Group. ADT shall not knowingly use, authorize or encourage others to use in any manner or form whatsoever, any trademarks, service marks or trade names owned by Elephant Group respectively or their affiliates, or any other confusingly similar trademarks, service marks or trade names, without the prior express written approval of Elephant Group. The term "Affiliate" shall mean any corporation or other person or entity that directly or indirectly controls, is controlled by, a successor-in-interest to, or alter ego of, or is under common control with, ADT or Elephant Group, respectively.

Solely for the purpose of participating in the Marketing Program, Elephant Group hereby grants to ADT a limited license to use Elephant Group's trademark, service marks or trade names as such party may deliver to the other party as is necessary for performing its obligations under this Agreement. ADT shall not represent itself as a licensee of Elephant Group, and no provision of this Agreement shall be construed as vesting in ADT any control whatsoever in Elephant Group or any of its Affiliates or their respective operations.

4.2 Grant by ADT. Solely for the purpose of conducting its business pursuant to the terms of this Agreement and no other. ADT hereby grants to Elephant Group a revocable limited, non-transferable, non-exclusive right, through permission granted from ADT Services AG, Schaffhausen, Switzerland, the owner and licensor of the ADT trademarks, to use ADT's trademark, service marks or trade names ("IP") as ADT may deliver in writing to Elephant Group as is necessary for performing its obligations under this Agreement. Elephant Group shall not represent itself as an ADT licensee, or ADT Dealer licensee and no provision of this Agreement shall be construed as vesting in Elephant Group any control whatsoever in ADT or any of its Affiliates or their respective operations. Elephant Group shall not knowingly use, authorize or encourage others to use in any manner or form whatsoever, any trademarks, service marks or trade names owned by ADT or its affiliates, or any other confusingly similar trademarks, service marks or trade names, on or in connection with any materials or products processed or manufactured by ADT without the prior express written approval of the other. Once ADT's written approval has been provided. Elephant Group must obtain ADT's written approval for any material changes to its use, or use by others at the direction of Elephant Group, of ADT's trademarks, service marks or trade names.

Elephant Group and/or its agents shall obtain ADT's prior written approval before using any of the IP in any way, including as part of its Advertisements (as hereinafter defined) and affixing the IP to any products (except as to those products previously approved by ADT for use by Elephant Group), and may only continue to use the IP until ADT revokes such authorization in the sole exercise of ADT's discretion. Termination of this Agreement shall, unless ADT advises otherwise in writing, be deemed to be a revocation of ADT's authorization for Elephant Group to use the IP, or any part thereof. Upon revocation by ADT of Elephant Group's limited right to use of any or all of the IP, Elephant Group shall immediately cease its use of such IP and shall, at its sole cost and

expense, return or destroy all IP at ADT's instruction and take all actions that are necessary in order to be immediately in compliance with this provision.

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Provided that all IP granted hereunder by either party shall only be for purposes of and as necessary for Elephant Group to perform under this Agreement.

4.3 Ownership of Work Product. Elephant Group and ADT intend for the Work Product, as defined herein, to be a work made for hire. Elephant Group hereby assigns to ADT the entire right, title and interest in and to all advertising and marketing materials prepared by Elephant Group under this Agreement, or the website URL www.buyadt.com and all related documentation, specifications, notes, drawings, designs, procedures, discoveries and inventions, including, but not limited to, patents, copyrights (including any related renewal rights), trade secrets and any other intellectual property rights, whether in the United States of America or abroad related thereto ("Work Product"). It is understood and agreed that the foregoing grant applies to work product created under the First Elephant Group Agreement, but does not otherwise apply to any material existing in a tangible medium of expression prior to the commencement of the work by Elephant Group on the Work Product that is incorporated into the Work Product delivered under this Agreement ("Pre-existing Material"); provided, however, that Elephant Group hereby grants to ADT an irrevocable, perpetual, worldwide, transferable, fully paid and royalty-free license to the Pre-existing Material, with rights to sublicense throughout multiple levels of sublicensees, to use reproduce, create derivative works of, distribute, publicly perform and publicly display by all means now known or later developed. Elephant Group agrees to render reasonable cooperation to ADT in the procurement and maintenance of ADT's rights in the Work Product, documentation and specifications and to sign all papers which ADT may deem necessary and desirable to vesting ADT with such rights throughout the world, including cooperation in prosecution or litigation of applicable patents, copyrights and other proceedings.

ADT, subject to the head license between ADT and ADT Services AG, grants Elephant Group the limited right and license to utilize this ADT owned website URL <a href="https://www.buyadt.com">www.buyadt.com</a> for the limited purpose of Elephant Group performing its marketing activities under and during the term of this Agreement

#### Effective Date and Termination.

- (a) This Agreement shall be effective on the Effective Date as set forth on page one of this Agreement and have an initial term from the Effective Date of this agreement and ending 12 months after the Effective Date ("Initial Term").
  - (b) After expiration of the Initial Term (such date of expiration being referred to

herein as the "Initial Term Expiration Date"), this Agreement shall automatically renew on the terms and conditions contained herein for up to four (4) additional, successive twelve (12) month periods, each commencing on the anniversary date of the Initial Term Expiration Date, unless either party shall notify the other in writing of its desire to terminate this Agreement ("Notice of Non-renewal") at least sixty (60) days prior to the annual anniversary date hereof (each such twelve (12) month period being referred to herein as a "Renewal Term") which Notice of Non-renewal shall be delivered by means of overnight mail via a nationally recognized overnight delivery service such as Federal Express.

- (c) Upon the expiration or early termination of this Agreement by either party, ADT shall continue to make its services available to each ADT Customer until such time as such ADT Customer or ADT may elect to cancel in accordance with the terms and conditions of the ADT Authorized Dealer Residential Alarm Services Agreement with such ADT Customer.
- (d) In addition to any other remedies ADT may have for Elephant Group's breach of this Agreement, and notwithstanding anything contained herein to the contrary, this Agreement shall be terminated by ADT, effective as of the date of the notice of termination from ADT to Elephant Group:
  - 1 upon thirty (30) days prior written notice to Elephant Group setting forth in detail the basis for such termination, if Elephant Group has breached a material provision of this Agreement and (i) Elephant Group has not cured said breach within thirty (30) days after Elephant Group's receipt of written notice of same.
  - 2. immediately, without further notice to or opportunity of Elephant Group to cure, upon Elephant Group's declaring bankruptcy or insolvency, any assignment by Elephant Group for the benefit of their respective creditors, any change in the control or management of Elephant Group by operation of law or otherwise without the prior written consent of ADT, the termination of Elephant Group's business as a going concem; the dissolution, liquidation, merger or consolidation of Elephant Group or the sale or other transfer by Elephant Group of all or a material portion of its assets;
  - 3. immediately, without further notice to or opportunity of Elephant Group to cure, upon the determination by ADT, in its reasonable discretion, of the occurrence of any material illegal, fraudulent or dishonest act of Elephant Group, its agents or its employees; and
- (e) This Agreement may be terminated by ADT, effective as of the date of the notice of termination from ADT to Elephant Group at any time at the absolute discretion of ADT, with or without cause or upon breach of this Agreement and without further notice to or opportunity of Elephant Group to cure, upon thirty (30) days advance written notice to Elephant Group.

- (f) This Agreement may be terminated by Elephant Group: (i) upon thirty (30) days prior written notice to ADT setting forth in detail the basis for such termination if ADT has breached a material provision of this Agreement and ADT has not cured said breach within thirty (30) days after ADT's receipt of written notice of same; or (ii) at any time at the option of Elephant Group, with or without cause, and without further notice to or opportunity of ADT to cure, upon forty-five (45) days advance written notice to ADT.
- (g) Elephant Group will receive compensation as outlined in Exhibit C for any Referrals or Leads provided to an ADT Dealer, which payment of commissions to Elephant Group shall be the sole obligation of ADT Dealers and not of ADT.

#### 6. Indemnification.

- (a) Indemnification by ADT. ADT hereby agrees to indemnify, defend and hold Elephant Group harmless from and against any and all claims, actions, costs (including court costs and attorneys' fees), expenses, losses, liabilities, and damages: resulting from or relating to, any negligence or intentional torts by ADT, its Affiliates, officers, directors, employees and agents, in connection this Agreement, except to the extent that any such claim or action is due to any negligent acts, omissions, wrongful acts, fault or willful misconduct of Elephant Group, its employees, agents or invitees. If any act or proceeding in connection with any such matter is brought against Elephant Group, Elephant Group shall immediately notify ADT and furnish by overnight delivery ADT with a copy of any papers served. In no event shall ADT indemnify Elephant Group from losses, damages, fees, expenses or other financial obligations incurred because of acts of ADT Dealers. In no event will ADT be liable for acts or omissions of ADT Dealers and Elephant Group hereby holds ADT harmless for same and covenants not to sue ADT based upon any acts or omissions of any ADT Dealer.
- (b) Indemnification by Elephant Group. Elephant Group shall indemnify, defend and hold ADT, its Affiliates, officers, directors, employees and agents (collectively the "ADT Group") harmless from and against any and all damages, costs (including court costs and attomeys' fees), losses, fees and expenses suffered by the ADT Group resulting from or relating to, any negligence or intentional torts by Elephant Group, its Affiliates, officers, directors, employees and agents, in connection with or related to this Agreement, except to the extent that any such claim or action is due to any negligent acts, omissions, wrongful acts, fault or willful misconduct of ADT, its employees, agents or invitees. If any act or proceeding in connection with any such matter is brought against ADT, ADT shall fumish Elephant Group with a copy of any papers served
- 7. Limitation of Liability. In no event will a party to this Agreement be liable to the other for indirect, incidental, consequential, punitive, special or exemplary damages (even if that party has been advised of the possibility of such damages), arising from performance under or failure of performance of any provision of this

Agreement (including such damages incurred by third parties), such as, but not limited to, loss of revenue or anticipated profits or lost business, unless such breach is as a result of gross negligence or willful misconduct. Notwithstanding the foregoing, to the extent permitted by applicable law, the limitations of liability set forth in this section shall not apply in connection with amounts payable as a result of gross negligence or willful misconduct.

## 8. Confidentiality.

- Except for the Referrals, Leads, and related customer information, provided to ADT by Elephant Group, the names, addresses, telephone numbers and other personal information of Elephant Group customers, market research done by Elephant Group, strategic plans, financial information, intellectual property, data reporting and tracking systems, and advertising materials that have been created, developed for or by, or are acquired, by Elephant Group are proprietary, owned by Elephant Group and are to be considered and treated as trade secrets. All of the foregoing shall remain the exclusive property of Elephant Group and shall not be used for any purposes or divulged by ADT to any third party, without the specific written consent of Elephant Group, which may be granted or withheld by Elephant Group in its sole discretion. Notwithstanding the foregoing, ADT and ADT Authorized Dealers may utilize such information in connection with performing their obligations under this Agreement and shall take all steps as are necessary to prevent such Confidential Information from being disclosed to third parties. This provision shall not apply to the extent that such information is independently discemible or is in the public domain or the disclosure of such information is required by law or must be disclosed by ADT or an ADT Authorized Dealer in order to discharge their obligations hereunder. In the event of any violation of this paragraph, ADT hereby agrees and acknowledges that Elephant Group and its applicable Affiliate shall suffer irreparable harm which will be sufficient to warrant the entry of injunctive relief against any further violation. This provision shall survive termination of this Agreement.
- (b) Elephant Group recognizes, acknowledges, covenants and agrees with ADT that as part of Elephant Group's relationship with ADT, Elephant Group will have access to, or in their possession, IP, ADT or ADT Dealer's customer and subscriber information, ADT Dealer lists and identifying information, and other documents, proprietary procedures and information concerning ADT's and its Affiliates' businesses that are not available to the public (collectively referred to as "ADT Confidential Information"), and that are the sole and exclusive property of ADT, and that are valuable, special, and unique assets of ADT and its Affiliates. Elephant Group agrees that it will maintain strict confidentiality with respect to such ADT Confidential Information and that it shall not, directly or indirectly, disseminate it or use it for any purposes unrelated to Elephant Group's obligations under this Agreement for any reason whatsoever without first obtaining ADT's prior written consent. Elephant Group shall take all steps as are necessary to protect the confidential and proprietary nature of the ADT Confidential Information and shall not use the ADT Confidential Information for any purpose that is not beneficial to ADT as determined by ADT in its sole and absolute discretion. Upon termination of this Agreement, all ADT

Confidential Information, including summaries, analyses and copies thereof, shall be immediately destroyed at Elephant Group's sole cost and expense. Elephant Group shall, upon completion of such destruction, certify in writing to ADT that it has fulfilled its obligations under this Section and Elephant Group shall undertake these acts without any notice or request by ADT. Elephant Group agrees that it will be responsible for violations of this Section by any of its Representatives, regardless of whether or not such violations occurred while the Representatives were performing duties on ADT Dealer's behalf. In the event of any violation, Elephant Group hereby agrees and acknowledges that ADT and its applicable Affiliate shall suffer irreparable harm which will be sufficient to warrant the entry of injunctive relief against any further violation. Elephant Group agrees that it shall be jointly and severally liable for all costs, expenses and fees (including court costs and attorney fees in connection with any action instituted by ADT or any of its Affiliates seeking to remedy and/or enjoin any violation of Section). This Section shall survive termination of this Agreement.

## 9. Competition.

From the Effective Date until December 31, 2008, Elephant Group (including their Affiliates) understand and specifically agree: (i) that Elephant Group shall act exclusively and solely for ADT's benefit in that Elephant Group shall only market security services, or Electronic Event Detection Services on behalf of ADT or ADT Dealers; (ii) that Elephant Group and their Affiliates shall not offer services and/or products to any other alarm company or other entity engaged (in whole or in part) in the Electronic Event Detection Services industry or in providing security monitoring services or installation; (iii) that all Referrals and Leads generated by Elephant Group, its Representatives and Affiliates shall be offered for sale exclusively to ADT Dealers, and (iv) no entity, other than ADT (or any of its Affiliates) and ADT Dealers may provide Electronic Event Detection Services or any other security monitoring services or installation, with respect to the Referral or Lead that ADT or ADT Dealers purchased from Elephant Group.

After December 31, 2008, however, Elephant Group shall maintain the exclusivity provided for in the paragraph above for <a href="http://buyadt.com">http://buyadt.com</a>.

Elephant Group further agrees and acknowledges that neither it nor its known Affiliates are an ADT Dealer and that they shall not hold themselves out as same.

After December 31, 2008, Elephant Group shall maintain parity between ADT and any other security monitoring company it elects to market on behalf of through <a href="http://www.homes.org">http://www.homes.org</a> or any other domain and/or url. Such parity shall include: providing more prominent placement on such sites for non-ADT advertisements, brands, logos; selecting or influencing which customers are referred to which security monitoring companies.

10. **No Preferential Treatment.** Elephant Group also hereby agrees and acknowledges that it will not enter into any agreements whereby it will provide any ADT Authorized Dealer preferential treatment including, but not limited to, preferential

access to leads or preferential pricing nor will Elephant Group give any ADT Authorized Dealer preferential treatment including, but not limited to, preferential access to leads or preferential pricing. With the single exception of Exhibit F hereto – Promotion Agreement – any contract – however communicated or agreed upon, whether oral, written, or otherwise – between Elephant Group and an ADT Authorized Dealer shall by submitted to ADT for review. ADT shall have the right to veto such contracts in their entirety or any terms thereof and any such contracts for which ADT has not given its written consent shall be deemed a breach of this Agreement entitling ADT to immediate injunctive relief against Elephant Group in the performance of the contract.

- 11. **Non-solicitation.** Elephant Group expressly acknowledges that all ADT or ADT Authorized Dealer Residential Alarm Services Agreements ADT secures as a result of the Marketing Program, and all other relationships between ADT, its Affiliates, current and former Subscribers and other customers (collectively "ADT Customers"), and the attendant goodwill, customer information, customer installation and equipment information are the exclusive property of ADT or its Affiliates, as the case may be, provided that Elephant Group has been fully compensated for the Referrals and Leads and that Elephant Group does not have any rights, claims or interests in, or with respect to, such ADT or ADT Authorized Dealer Residential Alarm Services Agreements and/or ADT Customers and/or the attendant goodwill, customer information, customer installation and/or equipment information. Accordingly, Elephant Group agrees that during the period beginning upon execution of this Agreement by Elephant Group and ADT, and ending ten (10) years after termination of this Agreement
  - 11.1 That Elephant Group shall not, without first obtaining the express written consent of ADT, directly or indirectly solicit, sell to, communicate with, advertise to, or accept money from, any ADT Customers regarding the sale of Electronic Event Detection Services or Products or any other security monitoring services or installation thereof. This Section 11.1 shall not apply:
  - 11.1.1 so long as this Agreement is in effect, after December 31, 2008 Elephant Group may market security monitoring services on <a href="http://www.homes.org">http://www.homes.org</a> or any other domain owned by Elephant Group;
  - any ADT Customer that elects security monitoring or Electronic Event Detection Services through http://www.homes.org or any other domain owned by Elephant Group shall not cause Elephant Group to be a violation of Section 11 of this Agreement, provided such ADT customer is beyond the initial three (3) year term of their ADT Residential Services Contract.
  - 11.1.2.1 Elephant Group shall use its bests efforts to ensure that no ADT Customer electing security monitoring services or

Electronic Event Detection Services from an entity other than ADT is in the initial three (3) year term of such customer's ADT Residential Services Contract, Elephant Group shall install the necessary screening protocol on any of its domains or uris to ensure compliancy herewith.

- 11.2 That Elephant Group shall not take any actions intended to, or having the effect of, adversely affecting ADT's, or its Affiliates', relationships with any ADT Customer. This Section 11.2 shall not apply:
- 11.2.1 so long as this Agreement is in effect, after December 31, 2008 Elephant Group may market security monitoring services on <a href="http://www.homes.org">http://www.homes.org</a> or any other domain owned by Elephant Group;
- 11.2.2 so long as this Agreement is in effect, to any ADT Customer that elects security monitoring or Electronic Event Detection Services through http://www.homes.org or any other domain owned by Elephant Group shall not cause Elephant Group to be a violation of Section 11 of this Agreement, provided such ADT customer is beyond the initial three (3) year term of their ADT Residential Services Contract.
- 11.2.2.1 Elephant Group shall use its bests efforts to ensure that no ADT Customer electing security monitoring services or Electronic Event Detection Services from an entity other than ADT is in the initial three (3) year term of such customer's ADT Residential Services Contract; Elephant Group shall install the necessary screening protocol on any of its domains or urls to ensure compliancy herewith
- 13. Audit Rights. ADT shall have the right upon 24 hours prior written notice, to send an employee or agent to Elephant Group offices to inspect Elephant Group marketing activities to the extent reasonably necessary to verify compliance of Elephant Group's obligations pertaining to the marketing of ADT Product and Services under this Agreement. Such inspections shall be conducted by ADT during Elephant Group normal business hours and in a reasonable manner without undue burden on the conduct of Elephant Group business.

One-time per contract-year upon at least thirty (30) days' prior written notice to ADT, Elephant Group shall have the right, to send an employee to ADT offices, as determined by ADT, to inspect ADT records to the extent reasonably necessary to verify compliance of ADT's obligations pertaining to the payment of Commissions under this Agreement for the one year prior period. All such records shall be treated as ADT Confidential Information pursuant to the Agreement. Such inspections shall be conducted by Elephant Group during ADT's normal business hours and in a reasonable manner without undue burden on the conduct of ADT business. Such audit will be at the expense of Elephant Group.

unless any audit shows an underpayment to Elephant Group for the audit period of ten percent (10%) or more, in which case ADT shall pay the reasonable expenses of such audit.

- 14. Representations and Warrantles. Each party represents and warrants to the other that: (a) it is duly qualified and licensed to do business and to carry out its obligations under this Agreement; (b) the making of this Agreement and the delivery of the Program as contemplated by this Agreement does not violate any law or regulation to which it is subject; (c) it will comply with all applicable federal, state, and local rules and regulations in fulfilling its obligations under this Agreement; and (d) neither its execution and delivery of this Agreement nor its performance of this Agreement is a violation on its part of any contract, indenture or other agreement or relationship to which it is a party or by which it is bound.
- 15. Entire Agreement. This Agreement constitutes the entire Agreement between Elephant Group and ADT with respect to the subject matter hereof and may be amended only by writing duly executed by ADT and Elephant Group.
- 16. Waivers. No failure by either party to exercise, or any delay by either party in exercising its rights, and no course of dealing with respect to any right of such party of any obligation of the other party to this Agreement, shall operate as a waiver thereof, unless and only to the extent agreed to in writing by both parties. Any single or partial waiver by either party of any obligation to the other party under this Agreement shall constitute a waiver of such obligation only as specified in such waiver of any other obligation.
- 17. Assignment. Elephant Group's duties and obligations under this Agreement are personal to Elephant Group, and neither Elephant Group's interest herein nor any portion of it shall be transferred or assigned (by operation of law or otherwise) by Elephant Group, without the prior express written consent of ADT. For purposes hereof, an assignment shall include any change in control of Elephant Group and any merger, consolidation, exchange of shares or other interest in Elephant Group, transfer of assets or dissolution of Elephant Group. Elephant Group shall not be entitled to designate any other party to act as the Elephant Group hereunder or to exercise any of the rights granted to Elephant Group hereunder. Any attempted assignment as defined herein shall be void and unenforceable and the purported assignee shall have no enforceable rights under this Agreement.

Should Elephant Group attempt to assign, delegate, contract to any third party any of its duties or obligations under this Agreement or any portion thereof, all the terms and conditions hereof, including but not limited to the Telemarketing, Emailing, Privacy, and Security provisions shall apply to the assignee with the same force and effect as they do to Elephant Group as the signatory party hereto.

ADT and its Affiliates may, without the consent of Elephant Group, assign or

transfer any or all of their interests herein, including their interests in, or right to receive, the Referrals or Leads. Elephant Group further acknowledges that upon any assignment or transfer, ADT Security Services, Inc., will automatically be released from its obligations under this Agreement and the affiliate of ADT Security Services, Inc., or other party to which this Agreement will be assigned or transferred will automatically become the contracting party in place of ADT Security Services, Inc., and will alone be responsible for the performance of this Agreement in each case as from the date of the assignment or transfer.

Elephant Group shall, at the cost and expense of ADT Security Services, Inc., execute and do (or procure to be executed and done by any other necessary party) all such acts or things (if any) as ADT Security Services, Inc., may reasonably require in order to give effect to any assignment or transfer.

18. Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand, by a nationally recognized air courier service, or through the United States Postal Services, first class certified mail, return receipt requested, postage pre-paid and addressed to:

If to Elephant Group, to:

Elephant Group 3303 West Commercial Blvd., Ft. Lauderdale, FL 33309 Attention: General Manager – Elephant Group

And if to ADT:

ADT Security Services, Inc. 14200 East Exposition Avenue Aurora, Colorado 80012 Attention: Vice President-Dealer Development Telefax: 303-306-5687

With a copy to:

Legal Department ADT Security Services, Inc. One Town Center Road Boca Raton, FL 33486 Attention: General Counsel Phone: (561) 988-3600 Telefax: (561) 988-3892 or to any other such person or persons whom either party may designate in writing at any time or from time to time.

- 19. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the state of Colorado applicable to agreements wholly executed and wholly performed therein. Any action or proceeding brought by either party against the other arising out of or relating to this Agreement shall only be brought in a court of competent jurisdiction located in Arapahoe County, Colorado, unless the matter shall arise under exclusive federal jurisdiction, in which case it shall be brought in the U.S. District Court for the District of Colorado. Elephant Group hereby irrevocably consents to the in-person jurisdiction of such courts for purposes of any such action or proceeding, and Elephant Group further agrees hereby to waive the procedures for service of process set forth in Rule 4 of the Colorado Rules of Civil Procedure and hereby agrees and consent that service of process via reputable courier at the addresses set forth in the "Notice" section above shall be deemed personal service sufficient for all purposes including service of process pursuant to Rule 4 of the Colorado Rules of Civil Procedure.
- 20. Severability. In the event any provision hereof shall be found unenforceable or invalid under any such law, rule or regulation, the same shall not affect the remaining provisions of this Agreement, provided no injustice shall be created thereby, and to this end the provisions hereof are intended to be and shall be severable. In the event of such injustice the parties shall confer in good faith to ameliorate the injustice by appropriate means.
- 21. Consents. Where the consent or approval of any party is required hereunder, such consent or approval shall be deemed to have been duly given in writing by any one of the following representatives of such party or such other representative as such party may designate from time to time:

If from ADT: ADT VP CMO Marketing or VP of Residential Sales

If from Elephant Group: General Manager - Elephant Group

22. No Publicity. Neither party may issue or release any press release, promotional material, announcement or other statement relating to the Agreement or the terms of this Agreement without the prior written consent of the other party, which consent shall be given or withheld by the exercise of such party's sole discretion. Neither party will use the other party's trademark(s), brand name or any other reference to the other party in any manner to outbid and/or out position the other party in the Sponsored Links/PPC on all search engines, including Google, Yahoo and MSN, without the other party's prior written approval.

## 23. Telemarketing and Emailing

A. No Unsolicited Telemarketing Services. The activities contemplated in this Agreement do not include any unsolicited Telemarketing Services. Telemarketing Services shall include any internet chat, internet phone calls, cable or cellular phone calls, direct mailing, or other communications with customers, consumers, and prospective customers. Under no circumstances will Elephant Group make any unsolicited outbound telephone calls as part of a plan, program or campaign directly or indirectly through telemarketing agents or others on behalf of ADT to any person, including but not limited to ADT Customers or Leads. Elephant Group may, conduct authorized Telemarketing Services promoting ADT or ADT Dealer products and services. These Telemarketing Services will be confined exclusively to responding by telephone to consumer inquiries regarding ADT or ADT Dealer goods or services received via internet, telephone, e-mail, or other electronic means, provided that Elephant Group agrees to the following:

Telemarketing Compliance: Elephant Group agrees that it will fully comply with all applicable laws, rules and regulations of the jurisdictions from and into which Elephant Group places calls. For calls placed to U.S. consumers, Elephant Group agrees that it will fully comply with the federal Telephone Consumer Protection Act ("TCPA"), all rules and official guidance promulgated by the Federal Communications Commission ("FCC") pursuant to the TCPA, the federal Telemarketing and Consumer Fraud and Abuse Prevention Act ("TCFAPA"), the Telemarketing Sales Rule ("TSR"), and official guidance promulgated by the Federal Trade Commission ("FTC") and all other applicable federal, state, and local laws and regulations (hereinafter, "Telemarketing Law"). Without limiting the foregoing, Elephant Group agrees that it will refrain from: calling any residential consumer before the hour of 8 a.m. or after 9 p.m. in the consumer's time zone. In states with more restrictive call curfew laws and regulations Elephant Group must adhere to both the federal and state restrictions. Elephant Group may not use prerecorded messages in connection with Telemarketing Services on ADT's behalf without prior written approval from ADT. Elephant Group may not use an automatic dialing device or a prerecorded voice to call: any emergency line of a hospital, medical or health care facility, poison control center, or fire protection agency, or law enforcement agency, any telephone line of any quest or patient room of a hospital, health care facility, elderly home, or similar establishment, or to any telephone number assigned to a paging service, cellular telephone service, specialized mobile radio service, or other common carrier service or any service for which the called party is charged for the call. These restrictions will not apply to a call made for emergency purposes or made with the prior express consent of the called party.

Prior to engaging in Telemarketing Services, Elephant Group shall complete Exhibit E ("ADT Due Diligence Request for Information") to this Amendment and provide documentary evidence satisfactory to ADT that Elephant Group has established and

actively enforces policies and procedures for compliance with Telemarketing Law. Elephant Group also agrees to allow ADT to ensure compliance with this Agreement via either direct or third-party monitoring of Elephant Group's Telemarketing Services.

In addition, without limiting the foregoing, Elephant Group agrees that it will comply with Subsection 1.a., below, unless Elephant Group notifies ADT in writing upon execution of this Agreement of Elephant Group's choice to comply with Subsection 1.b., below, by Elephant Group placing its initials below Subsection 1.b., and Elephant Group will comply with the requirements associated with such choice as set forth below:

- a. Telephone calls in response to consumer inquiries will only be made within seven (7) days of receiving the initial consumer inquiry.
  - i. At the conclusion of the seven (7) day period Elephant Group will cease calling the consumer and only maintain records on said consumer for the purpose of fulfilling Elephant Group's obligations under this Agreement or as required by law;

## **Elephant Group's Initials**

OR

- b. Telephone calls in response to consumer inquiries will only be made AFTER "scrubbing" the consumer's phone number against ADT's internal Do-Not-Call list, via a method specified by ADT, and Elephant Group's Do-Not-Call list if not Elephant Group's list is not shared with ADT.
  - i. Prior to making any telephone calls, Elephant Group will scrub all telephone numbers for which outbound phone calls will be made on behalf of ADT against the ADT internal Do-Not-Call list at least once every week and, on the same day of each week during the 90-day calling period referred to below.
  - ii. If during this weekly scrubbing of telephone numbers a consumer's telephone number is found to be on the ADT internal Do-Not-Call list, Elephant Group will remove the consumer's telephone number from its call list and immediately stop calling that consumer, regardless of the number of days since the initial consumer inquiry.
  - iii. As required by federal and state laws and regulations, all calls by Elephant Group in response to consumer inquiries will cease ninety (90) days after the date of the consumer's initial

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## Elephant Group's Initials

#### AND

- c. Elephant Group will immediately stop calling a consumer upon that consumer's request for either Elephant Group or "ADT" to stop calling the consumer, regardless of whether the seven (7) or ninety (90) day periods have expired, and only maintain records on said consumer for the purpose of fulfilling Elephant Group's obligations under this Agreement or as required by law.
- d. Elephant Group will submit to ADT within five (5) business days of Elephant Group's receipt, in a form and method specified by ADT, the name and contact information for any consumer that requests to no longer receive phone calls regarding ADT's goods or services so that the consumer's name may be placed on ADT's internal Do-Not-Call list;
  - i. Elephant Group will add any such consumer to Elephant Group's internal Do-Not-Call list within the same five (5) business day period.
- e. Upon ADT's request, Elephant Group will promptly provide:
  - i. any outbound call list or dialer records of calls placed by Elephant Group within the preceding twenty-four (24) months;
  - ii. a full list of outbound telephone numbers that will be, are being, or were used by Elephant Group to place outbound telemarketing calls; and
  - iii. an explanation of the transparency of the caller's number displayed to consumers' by any caller identification device.
  - iv. any other information required by ADT in any manner relating to Elephant Group's Telemarketing Services.
- f. Elephant Group must purge from any call lists that it uses to place outbound telemarketing calls any telephone number that ADT so provides for purging, regardless of the source of the list. Elephant Group will conduct such purges as requested by ADT immediately before each list is

used to place calls, as well as on an ongoing basis. Elephant Group will treat ADT's Internal Do-Not-Call List and any other data or lists furnished by ADT as ADT Confidential Information and will not (and will not allow others to) sell, remarket, or use the telephone numbers on ADT's purge list(s), Do-Not-Call List, or any other date or list furnished or maintained by ADT for any reason other than to comply with this Agreement and the Telemarketing Law.

- g. Upon ADT's request, Elephant Group will promptly provide documentary proof of its and its telemarketing agents' compliance with all Telemarketing Law and the terms of this Agreement.
- h. If, at any time, Elephant Group or its telemarketing agents discover that its Do-Not-Call compliance procedures are not functioning as required by Telemarketing Law or the terms of this Agreement, Elephant Group shall so notify ADT in writing and shall take immediate steps to remedy the problem(s).
- 2. Recordkeeping. Elephant Group agrees that it will generate, keep and maintain all records required by the Telemarketing Law and the terms of this Agreement. Without limiting the foregoing, Elephant Group agrees that it will keep in a manner that will allow for prompt access, for a period of six (6) years from the date the record is produced, the following records:
  - a. The date any consumer requested a return phone call from Elephant Group or "ADT."
  - b. A record of Do-Not-Call requests made by consumers and a record of that request being forwarded to ADT.
  - c. The legal name, any other names used, the last known home address and telephone number, and the job title(s) for all current and former employees directly involved in making any outbound telephone calls to consumers or any telephone promotions or sales.
  - d. All outbound call lists and dialer records of all outbound calls placed by Elephant Group.
  - e. The names and addresses of any list providers.
- 3. <u>Prohibition on Use of ADT name.</u> Elephant Group agrees that it shall not represent itself as ADT and shall not claim any affiliation with ADT whether directly or indirectly, in any form of telemarketing. Notwithstanding the foregoing, Elephant Group is permitted to state that Elephant Group is promoting its and, if permitted under this Agreement, ADT's products/services. In addition, Elephant Group agrees that it will use a script for all oral, live, or telephonic Telemarketing Services provided by Elephant Group for ADT's benefit and will provide to ADT, for ADT's review and approval, any script to be used by Elephant Group in which ADT's products/services will be promoted ten (10) business days before any such calls are made. Notwithstanding the foregoing,

Elephant Group may not commence Telemarketing Services without prior written authorization from ADT and ADT's failure to respond to Elephant Group's request for such authorization shall not constitute approval under any circumstances.

In addition, Elephant Group, within the three (3) months immediately <u>preceding</u> the date of a consumer inquiry regarding ADT goods or services, whether received via internet, telephone, e-mail, or other electronic means, must inform the consumer on the Elephant Group's website or other media, BEFORE the consumer has given their telephone number to the Elephant Group:

that the consumer may receive telephone calls,

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- the maximum number of sellers that may call the consumers,
- on whose behalf the consumer will be called ("On the specific Dealer's" behalf for Dealer Side); and
- ensure the number of sellers does not exceed the number given above.

B. E-MAIL MARKETING SERVICES. Provided Elephant Group has received written authorization from ADT to conduct E-Mail Marketing Services promoting ADT or ADT Dealer products and services, Elephant Group may provide E-Mail Marketing Services advertising, promoting, or marketing ADT or ADT Dealer products and services ("Commercial E-Mail") in accordance with the terms of this Agreement. E-Mail Marketing Services shall include any email, web portal, internet link, internet chat, direct mailing or other communications with customers, consumers, and prospective customers. Elephant Group represents and warrants that it will fully comply with all applicable laws, rules and regulations of the jurisdictions from and into which Elephant Group transmits Commercial E-Mail. Without limiting the generality of the foregoing, Elephant Group represents and warrants that, for Commercial E-mail delivered to U.S. residents, it will fully comply with the federal Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN SPAM Act"), all rules and official guidance promulgated by the Federal Trade Commission ("FTC") pursuant to the CAN SPAM Act, the Federal Communications Commission's ("FCC") rules and orders regulating the transmission of commercial e-mail to wireless devices, and all other applicable federal, state and local laws and regulations. In addition, without limiting the foregoing, Elephant Group agrees that it will comply with the following requirements:

#### 1. Address List.

- a. Elephant Group shall take commercially reasonable efforts to ensure that the e-mail addresses on the list(s) to which it will transmit Commercial E-Mail (each, a "List") have been filtered to remove duplicate addresses, undeliverable or otherwise "bounced" addresses and those that appear to be invalid.
- b. Elephant Group shall not send Commercial E-Mail to persons whose e-mail addresses were gathered in any automated process, harvesting or

screen scraping, or as the result of randomly generated combinations of characters.

- c. Subject to subsection (i) of this Section B(1)(c), Elephant Group agrees that, prior to transmitting any Commercial E-Mail to the List, it will scrub the List against any list that ADT provides for purging (the "ADT Suppression List"), in the manner specified by ADT, which may change from time to time. Elephant Group will conduct such purges at the last possible, commercially reasonable moment, but not more than twenty-four (24) hours before the List or any member thereof is sent a Commercial E-Mail. Elephant Group will not transmit a Commercial E-Mail to any address on the ADT Suppression List.
  - If Elephant Group transmits a Commercial E-Mail in response to a recipient's specific request to receive information about ADT goods or services by e-mail, whether such request is received via U.S. Postal Service, overnight service, or other method of collecting express written consent, Internet, telephone, e-mail, or other electronic means (an "Opt-in"), then Elephant Group may send such e-mail without first scrubbing the recipient's e-mail address against the ADT Suppression List, as long as Elephant Group sends the e-mail within seven (7) days of the date the recipient communicated such request to receive information. If Elephant Group does not respond within seven (7) days of the request, it must scrub the recipient's e-mail address against the ADT Suppression List and against the Elephant Group's Do-Not-Email List prior to transmitting a Commercial E-Mail to the recipient, in the manner specified by ADT, which may change from time to time. Elephant Group will conduct such scrubbing at the last possible, commercially reasonable moment, but not more than twenty-four (24) hours before sending the Commercial E-Mail. If the recipient's e-mail address is on the ADT Suppression List or on the Elephant Group's Do Not Email List, then Elephant Group will not transmit a Commercial E-Mail to it after the seven (7) period discussed above.
  - ii. The fact that Elephant Group is not required to scrub an e-mail address against the ADT Suppression List and against the Elephant Group's Do Not Email List in accordance with subsection (1c), above, will not relieve Elephant Group of its obligation to comply with the remaining sections of this Agreement or any applicable law.
- d. Elephant Group will not (and will not allow others to) sell, remarket, disclose or use the ADT Suppression List or the e-mail address of any person who has opted out of receiving e-mail promoting ADT for any reason other than to comply with this Agreement and the law.
  - e. Elephant Group will use due care in connection with the ADT

Suppression List, including following its own security policies and procedures, which Elephant Group represents as complying with applicable laws, rules and regulations and being no less rigorous than accepted practices in the industry. Elephant Group's policies and procedures to maintain the security, confidentiality and integrity of the ADT Suppression List will be consistent with FTC guidance regarding the safeguarding of personal information and with any other applicable laws, rules and regulations. Elephant Group will immediately report to ADT, and cooperate with ADT in investigating, all actual and suspected breaches, lapses or vulnerabilities. Elephant Group will also take immediate steps to remedy any such breach, lapse or vulnerability. Upon the termination or expiration of this Agreement or an applicable work order, Elephant Group will cease using the ADT Suppression List and will promptly return or destroy all copies of it in its possession or control.

- f. For each List (including, without limitation, lists provided to Elephant Group by a third party), Elephant Group will promptly provide ADT, upon ADT's request, a written explanation of the source of the email addresses. For each e-mail address received in connection with a specific request to receive information about ADT goods or services by e-mail, Elephant Group will promptly provide ADT, upon ADT's request, a written explanation of: (i) the source of the e-mail address and the method by which the e-mail recipient asked to receive Commercial E-Mail; and (ii) if applicable, the opt-in and/or opt-out process such e-mail recipient had and has, and the attendant privacy policy, as well as what made such process and policy clear and conspicuous to the consumer.
- g. Whether a List was compiled by Elephant Group or by a third party, Elephant Group represents and warrants that: (i) it has full right, title and interest in the List, or has a valid license to use the same, and may lawfully use it in accordance with the terms of this Agreement; (ii) its use of the List in accordance with this Agreement will not violate the rights of any third party; and (iii) all email addresses on the List were collected in accordance with all applicable laws, rules and regulations, and Elephant Group's transmission of Commercial E-Mail to any such address will not violate: (A) any privacy policy applicable to the List or any record contained therein; (B) any representation made to any such individual by Elephant Group or any other party that initially collected the records contained in the List; (C) any request by any such individual not to receive email from Elephant Group; or (D) any applicable law, rule or regulation.

#### 2. <u>Transmission</u>.

a. Elephant Group shall not send Commercial E-Mail through open proxies, from e-mail or Internet Protocol ("IP") addresses registered through fraud or false pretenses, through any means in violation of an Internet Service

Provider's ("ISP") policies or which would constitute abusive e-mail transmission practices as determined by ADT in its sole discretion.

- b. Elephant Group shall include complete and accurate transmission and header information in each e-mail, as well as a "from" line that accurately identifies Elephant Group as the initiator of the message.
- c. Upon ADT's request, Elephant Group shall promptly provide a full list of domain names, routing information and IP addresses that will be, are being or were used to send Commercial E-Mail. In addition, upon ADT's request, Elephant Group shall promptly provide a written explanation of the transparency of the return domain names and all other information that permits e-mail recipients to identify e-mail senders. If at any time Elephant Group's or a List owner's IP addresses or domain names are mass-blocked or blacklisted, Elephant Group will inform ADT immediately in writing.

## 3. Content.

- a. Elephant Group must obtain ADT's written approval of its proposed Commercial E-Mail campaign and message (including the subject and from lines) at least ten (10) business days in advance of the proposed mailing. Elephant Group shall seek such approval in the manner specified by ADT, which may change from time to time. Elephant Group shall not transmit any Commercial E-Mail that has not been approved by ADT in writing. Elephant Group agrees that ADT's review of any e-mail campaign or message shall not relieve Elephant Group of its responsibility to ensure compliance with all applicable laws, rules and regulations.
- b. Each message must be truthful, not misleading and capable of substantiation.
  - c. The subject line must accurately reflect the content of the message.
- d. Elephant Group must clearly disclose that each Commercial E-Mail is an advertisement.
- e. Elephant Group must clearly and conspicuously state its true name and valid postal address in the body of the e-mail.
- 4. Opt-Out Mechanism and Compliance. Elephant Group must include in each Commercial E-Mail a clear and conspicuous explanation of how the recipient may opt out of receiving future emails promoting ADT, including a valid e-mail address monitored by Elephant Group or a hyperlink that the recipient may use to do so. Elephant Group shall also incorporate any opt-out hyperlinks required by ADT. If Elephant Group uses a hyperlink, it must allow recipients to opt out by clicking to a single web page and providing only the recipient's e-mail address. Elephant Group's e-mail address or hyperlink must remain capable of receiving opt-out requests for at least

thirty (30) days after the e-mail is sent. Elephant Group must process opt-out requests within ten (10) business days of receipt (or any other timeframe established in the future by the Federal Trade Commission). Elephant Group must not send a Commercial E-Mail to any person who has opted out of such receipt. Elephant Group must relay each opt-out request to ADT within one (1) business day of receiving it, in the manner specified by ADT, which may change from time to time.

- 5. <u>Monitoring:</u> By ADT. Elephant Group agrees that ADT may, in its discretion, monitor Elephant Group's e-mailing activities under this Agreement. Without limitation, ADT may do so through the use of a third-party monitoring service.
- 6. Monitoring: By Elephant Group. Elephant Group agrees that it will implement reasonable procedures to ensure, on an ongoing basis, that its unsubscribe capabilities function in accordance with the requirements of the law and this Agreement. Without limiting the foregoing, this means that Elephant Group shall, at a minimum, do the following: (i) establish e-mail accounts with at least five (5) major private e-mail account providers, including Hotmail, Yahoo, AOL, Lycos and Google, and add such addresses to the lists to which Elephant Group transmits Commercial E-Mail; (ii) for each such address, use the unsubscribe mechanism contained in the e-mail to opt out of future e-mails; and (iii) repeat this procedure on a regular basis, at least once every two (2) weeks for the term of this Agreement. If, at any time, Elephant Group's monitoring reveals that its unsubscribe procedures are not functioning as required, Elephant Group will immediately notify ADT in writing and take immediate steps to remedy the problem.
- 7. Recordkeeping and Compliance. Elephant Group agrees that it will keep and maintain all records required by law and this Agreement. Without limiting the foregoing, Elephant Group agrees that it will keep, for a period of ten (10) years from the date the record is produced, the following records: (a) details of each Commercial E-Mail campaign, including the List(s) used, the content of the message, the subject and from lines, and the date(s) of transmission; (b) if applicable, the date any individual requested an e-mail communication from Elephant Group or "ADT"; (c) a record of unsubscribe requests made by recipients and a record of those requests' being forwarded by Elephant Group to ADT; (d) the legal name, any other names used, the last known home address and telephone number, and the job title(s) for all current and former employees directly involved in transmitting Commercial E-Mail; and (e) the names and addresses of any e-mail marketing vendors used by Elephant Group to transmit Commercial E-Mail. Upon ADT's request, Elephant Group will promptly provide proof of its and its e-mail marketing agents' compliance with applicable law and the terms of this Agreement.
- 8. No Representation as ADT: Permitted Uses of ADT name. Elephant Group agrees that it shall not represent itself as ADT and shall not claim any affiliation with ADT whether directly or indirectly, in any Commercial E-Mail. Notwithstanding the foregoing, Elephant Group is permitted to state that Elephant Group is promoting its

and, if permitted under this Agreement, ADT's products/services. ADT's trademarks, service marks, trade or company names, product and service identifications, logos, artwork and other symbols and devices associated with ADT's products and services (the "ADT Marks") are and shall remain ADT's property. ADT, through permission granted from ADT Services AG, Schaffhausen, Switzerland, the owner and licensor of the ADT Marks, grants to Elephant Group a limited, revocable, non-exclusive, nonassignable, nontransferable, royalty-free license to use the ADT Marks, solely in accordance with the terms of this Agreement. ADT may revoke Elephant Group's license at any time by giving Elephant Group written notice. All uses by Elephant Group of ADT's Marks shall inure solely to the benefit of ADT.

## C. ADT CUSTOMER LEAD CONTACT INFORMATION/CREATIVE MATERIALS

- 1. Ownership, Protection, and Use of Lead Source Data and ADT Customer Lead Contact Information.
- a. <u>Lead Source Data</u>. Elephant Group's efforts on ADT's behalf will result in the generation of Referrals and Leads (referred to collectively in this section as Leads). Additionally, information will be generated by Elephant Group concerning only the source and means whereby a Lead was identified and other non-identifying data related to the Leads ("Source Data"). ADT acknowledges and agrees that Elephant Group shall have sole ownership of any Source Data, excluding Promotion Code information that is assigned by ADT or by Elephant Group at ADT's direction and Elephant Group shall provide ADT with the name of the entity who provided the ADT Customer Lead Contact Information, if any.
- b. ADT Customer Contact Information. Elephant Group shall have no ownership interest in or to any personal contact information, including but not limited to the name, address, telephone numbers, credit card information or other personal identifying data related to any Leads, Referrals, and Non-Covered Leads ("ADT Customer Lead Contact Information") and such ADT Customer Lead Contact Information shall be owned solely by ADT. Elephant Group will collect, receive, process, store and maintain the ADT Customer Lead Contact Information in accordance with Elephant Group's then-current data security policies and procedures, the confidentiality requirements of this Agreement, all applicable laws and will take commercially reasonable steps to insure the security and confidentiality of such ADT Customer Lead Contact Information, including such steps as set forth below. Elephant Group shall properly and pursuant to all applicable laws purge its data processing systems of and dispose of all ADT Customer Lead Contact Information within five (5) calendar days after such ADT Customer Lead Contact Information has been provided to ADT by Elephant Group, subject to those requirements for maintaining records pursuant to Section A. 2. "Recordkeeping" for telemarketing and Section B. 7. "Recordkeeping and Compliance" for email marketing. Notwithstanding these purging requirements, Elephant Group may retain the customer's name, address, and phone number or email

address, as applicable, to verify amounts owed for lead generating services provided by Elephant Group only for as long as necessary for such verification, but in no event longer than six (6) months after such ADT Customer Lead Contact Information has been provided to ADT by Elephant Group. Notwithstanding the foregoing, nothing in this Agreement prohibits, limits or precludes Elephant Group's ownership of customer data related to a customer's purchase of other products and services — i.e., non Electronic Event Detection Services or security monitoring services — from Elephant Group.

- 2. Security Requirements. In general, Elephant Group will maintain and enforce safety and physical security procedures with respect to its access and maintenance of ADT Customer Lead Contact Information that are (a) at least equal to industry standards for such types of locations, (b) in compliance with applicable law and any additional requirements as may be reasonably required by ADT including the ADT IT Requirements attached hereto as Exhibit D, and (c) which provide reasonably appropriate technical and organizational safeguards against accidental or unlawful destruction, loss, alteration or unauthorized disclosure or access of ADT Customer Lead Contact Information and all other data owned by ADT and accessible by Elephant Group under this Agreement. Without limiting the generality of the foregoing, Elephant Group will take all reasonable measures to secure and defend its location and equipment against "hackers" and others who may seek, without authorization, to modify or access Elephant Group systems or the information found therein without the consent of ADT. Elephant Group will periodically test its systems for potential areas where security could be breached. Elephant Group will report to ADT immediately at the ADT Helpdesk (Telephone number: 877-ADT-HELP) and the ADT contact person named in this Contract any breaches of security or unauthorized access to Elephant Group systems that Elephant Group detects or becomes aware of. Elephant Group will use diligent efforts to remedy such breach of security or unauthorized access in a timely manner and deliver to ADT a root cause assessment and future incident mitigation plan with regard to any breach of security or unauthorized access affecting ADT Customer Lead Contact Information
  - a. Storage of ADT Customer Lead Contact Information. All ADT Customer Lead Contact Information must be stored in a physically and logically secure environment that protects it from unauthorized access, modification, theft, misuse and destruction. In addition to the general standards set forth above, Elephant Group will maintain an adequate level of physical security controls over its facility including, but not limited to, appropriate alarm systems, fire suppression, access controls (including off-hour controls) which may include visitor access procedures, security guard force, video surveillance, and staff egress searches. Further, Elephant Group will maintain an adequate level of data security controls, including, but not limited to, logical access controls including user sign-on identification and authentication, data access controls (e.g., firewalls, segmentation, encryption, password protection of applications, data files and libraries), accountability tracking, anti-virus software, secured printers, restricted download to disk capability and provision for system backup.

- b. <u>Security Audits</u>. During the Term, ADT or a third party designee may, but is not obligated to, perform audits of Elephant Group's environment, including unannounced penetration and security tests, as it relates to the receipt, maintenance, use or retention of ADT Customer Lead Contact Information or other ADT owned data. Any of ADT's regulators shall have the same right upon request. Elephant Group agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes. ADT shall also have the right to check Elephant Group's List against ADT's ADT Customer Lead Contact Information to ensure Elephant Group's compliance with the terms of this Agreement.
- c. <u>Unauthorized Access</u>. In the course of performing its obligations under this Agreement as amended, Elephant Group shall not access, and shall not permit its personnel, or entities within its control to access ADT's systems or data without ADT's express written authorization. Such written authorization may subsequently be revoked by ADT at any time in its sole discretion. Further, any access shall be consistent with, and in no case exceed the scope of, any such authorization given by ADT. All connectivity or attempted connectivity to ADT's systems shall be only through ADT's security gateways and/or firewalls, and in conformity with applicable ADT security policies and as authorized by ADT.
- Transmission of Sensitive ADT Customer Lead Contact Information. Any transmission of data from Elephant Group to ADT that includes any information other than the name and telephone number of an ADT Customer Information Lead Contact (including without limitation, bank or other financial data, or sensitive information, such as street address or Social Security Number, of an ADT Customer Lead Contact) shall comply with industry recognized encryption standards (e.g., SSL or SET), at a minimum 128-bit Triple DES encryption, excluding normal e-mail activities between the parties as long as the emails do not contain sensitive ADT Customer Lead Contact information. Any Elephant Group web site connections, and associated pages/applications, that provide access to ADT Customer Lead Contact Information, shall employ 128-bit SSL encryption, shall not use persistent cookies that contain information about the user or using organization (session cookies may be used), and shall not use any cookies or other methods to track user activity after leaving the web site. Elephant Group Information Processing Systems, if used to exchange or access ADT Customer Lead Contact Information, shall not save or record ADT user IP addresses, e-mail addresses, or other corporate identifiers for purposes outside the scope of this Agreement.
- 3. Compliance with Privacy Policy, Laws, and Regulations. Elephant Group represents and warrants that at all times during and after the Term it shall use, handle, collect, maintain, and safeguard ADT Customer Lead Contact Information in accordance with a Privacy Policy, acceptable to ADT, and all applicable state and federal consumer privacy laws, and rules (collectively, "Privacy Rules") which may be in

effect during the term of this Agreement as it concerns the subject matter of this Agreement. Elephant Group further acknowledges that it alone is responsible for understanding and complying with its obligations under the Privacy Rules. In the event any breach of the security, confidentiality, or privacy of the ADT Customer Lead Contact Information requires notification to any party under any of the Privacy Rules, ADT shall have sole control over the timing, content, and method of such notification and Elephant Group shall reimburse ADT for its out-of-pocket costs in providing the notification.

If Elephant Group is securing credit card information, Elephant Group shall limit information obtained from the ADT Customer Lead Contact(s) to the following: credit card type, cardholder name, credit score, credit card number and expiration date. Elephant Group shall provide this credit card information to ADT through encrypted and secure transmission means. Elephant Group shall be responsible for complying with all information security practices promulgated by Federal, State, and municipal laws, regulations, and statutes pertaining to the acquisition, handling, and disposition of all such credit card information, and also by industry associations, including, but not limited to, the standards of the Payment Card Industry (PCI) Data Security Standard. Elephant Group shall indemnify, defend, and hold ADT harmless from any failure to comply with the requirements stated in this Section 3. Elephant Group shall immediately notify ADT of any security breaches or incidents affecting the security of the credit card information provided by Elephant Group to ADT and provide ADT with all information pertaining to same as requested by ADT.

## 4. Creative Materials.

- a. <u>Creative Materials</u>. As used in the Agreement, the term "Creative Materials" shall refer to any creative artwork (e.g., camera and web ready artwork), promotional offers (including rebates, discounts, or other promotions), or any other materials provided by ADT to Elephant Group for the purpose of creating marketing materials to be used by Elephant Group, including but not limited to buck-slips, bill inserts, Web banner promotions, and other similar communications. All Creative Materials shall be owned exclusively by ADT. Elephant Group shall not modify the Creative Materials in any way without the prior written permission of ADT.
- b. Return of Creative Materials. Upon written demand, ADT may at any time in its sole discretion, require Elephant Group to return all copies of ADT's Creative Materials in its possession. Elephant Group shall comply with such requests within a reasonable time after receipt of the written demand. In the event of termination of the Agreement for any reason, and without the need for a written demand, Elephant Group shall immediately return all copies of Creative Materials in its possession or control to ADT.
- D. <u>Consumer Complaints</u>. Elephant Group will forward an accurate written summary of each oral complaint, that it receives from an individual to whom it has telemarketed

on behalf of ADT or to whom it has sent a Commercial E-Mail, to ADT within two (2) business days of its receipt of such complaint. Elephant Group will forward all written complaints and correspondence, that it receives from an individual to whom it has telemarketed on behalf of ADT or sent a Commercial E-Mail, to ADT within two (2) business days of its receipt of such complaint or correspondence. "Complaint" shall mean any communication that expresses, in any way, dissatisfaction with Elephant Group's telemarketing or Commercial E-Mail or confusion with respect to why the call or e-mail was received, regardless of whether or not Elephant Group believes that it has resolved the complaint. Elephant Group shall submit all complaints and correspondence required under this section to ADT in a form and manner specified by ADT, which may change from time to time. If any litigation is initiated against Elephant Group for its Telemarketing Services or its E-Mail Marketing Services on behalf of ADT, Elephant Group shall immediately (within 24 hours of service) notify the ADT Contacts provided in paragraph 18 above.

- E. <u>Regulatory Inquiries</u>. Elephant Group will notify ADT immediately (within 24 hours of service or inquiry) in writing of any investigation, litigation, arbitrated matter, claim or other dispute relating to Elephant Group's telemarketing or e-mail marketing operations or information security or privacy practices.
- **F. Indemnity** In addition to any other indemnification provisions in the Agreement or this Amendment, Elephant Group agrees to indemnify, defend and hold ADT harmless from and against any claims, actions, proceedings and damages, including reasonable attorney's fees and costs, and all monetary penalties or costs imposed upon ADT arising out of Elephant Group's breach of the provisions set forth in Sections A and B, hereinabove. In the event of any actual or impending breach of these provisions, the parties agree that ADT will suffer irreparable harm and any award of monetary damages to ADT will be impossible to calculate and therefore be an inadequate remedy. Accordingly, the parties agree that ADT shall be entitled to temporary and permanent injunctive relief against Elephant Group, its employees, officers, directors, agents, representatives or independent contractor, and the other rights and remedies to which ADT may be entitled to at law, in equity and under this Agreement.
- G. Violation of Telemarketing or E-Mail Marketing Compliance / ADT Customer Lead Contact Information Security Requirements. An alleged violation of the Telemarketing Compliance, the sections of this Agreement relating to the transmission of Commercial E-Mail or ADT Customer Lead Contact Information Security Requirements by Elephant Group or its agent, whether generated by a complaint from a consumer, ADT, a regulatory body or government entity, shall require Elephant Group to investigate the alleged violation and provide to ADT in writing, within one (1) week of the complaint, the result of the investigation. If ADT determines upon review of Elephant Group's investigation results that the alleged violation has not been resolved, ADT may require Elephant Group to immediately cease all telemarketing, e-mail marketing and/ or lead generation activities pending review by ADT of the Elephant Group's Telemarketing, E-Mail Marketing and/or Lead Generation Program and the

establishment of processes and procedures to confirm compliance by Elephant Group. A violation of the Telemarketing Compliance, E-Mail Marketing and/ or ADT Customer Lead Contact Information Security Requirements by Elephant Group may, in ADT's sole and absolute discretion, be deemed a material breach of contract requiring immediate cessation of all telemarketing, e-mail marketing and/or lead generation activities, cessation of payment for leads and termination of this Agreement.

ADT Dealers - Elephant Group acknowledges and agrees that ADT Dealers are independent contractors in their relationship to ADT and ADT is not a party to and assumes no obligations of and no liability for any lead referral, affinity or any other such agreement or relationship of any kind entered into between an ADT Dealer and Elephant Group including, but not limited to any payments required as compensation to Elephant Group under this Agreement and the Commissions owed Elephant Group by ADT Authorized Dealers. Elephant Group acknowledges, affirms, and agrees that each ADT Dealer exists as a completely separate, independent legal entity, separate and apart from ADT. No Dealer is directly or Indirectly, affiliated with, owned by, or otherwise controlled by ADT, in whole or in part. ADT does not purport to bind any ADT Dealer to the terms of any agreement with Elephant Group, and ADT has executed this Agreement solely on ADT's own behalf and not on behalf of any ADT Dealer. Elephant Group shall be solely responsible for any and all agreements between itself and ADT Dealers pertaining to the Leads and ADT shall have no liability or responsibility whatsoever to Elephant Group or any third party for any ADT Dealer's performance or failure to perform any covenant or obligation under any agreement with Elephant Group, or for any other act or omission of any ADT Dealer, with respect to the Elephant Group's agreement(s) with ADT Dealers or otherwise. ADT has the right to terminate this Agreement, as set forth hereinabove in this Agreement, and ADT shall have no liability to Elephant Group for the effect of such termination upon any agreement between Elephant Group and an ADT Dealer.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be effective upon the execution hereof.

ELEPHANT GROUP, LLC	ADT SECURITY SERVICES, INC.
Ву:	Ву:
Гitle: <u></u>	Title:
Date: SIRPO	Date: (/)-/08

## EXHIBIT "A" PRODUCT AND SERVICES

- 1. Offer Marketed by Elephant Group
  - One U.L. listed master control panel with emergency back-up battery
  - One digital keypad
  - One interior alarm siren
  - Up to three door/window contacts
  - One wireless keychain remote or other ADT approved "special offer" to secure the lead
  - One U.L. listed interior motion detector
  - One telephone interface jack for connection to ADT's Customer Care Center
  - One ADT yard sign and warning decals
  - Professional installation by installer
  - \$99 installation fee for qualified customers
  - Monthly monitoring
    - Base System ("Basic"): \$35.99 with credit card or automatic bank withdrawal:
    - o 2-Way Voice ("Bundle I"): \$40.99 with credit card or automatic bank withdrawal:
    - o Cellular System ("Bundle II): \$44.99 with credit card or automatic bank withdrawal
    - 36-Month Monitoring Agreement required, unless a shorter time period is required by law
- 2. In the event ADT changes the offer listed above or adds additional offers, Elephant Group will be eligible to market the new offer(s) under the same terms of this Agreement.
- 3. All offers made available to ADT Dealers will immediately be made available to Elephant Group. Under no circumstances will Elephant Group be prohibited from marketing an ADT offer made available to the general public.
- 4. ADT may change the scope of the system or pricing of the offer upon 30 days prior written notice to Elephant Group or sconer if required by law.

#### **EXHIBIT "B"**

#### **MARKETING PROGRAM**

- 1. Responsibilities of ADT. ADT shall perform the following activities during the Term of the Agreement at ADT's sole cost and expense, and under ADT's exclusive control:
- (a) ADT shall provide training to Elephant Group associates on an as-needed basis consistent with the training ADT provides to its Authorized Dealers; and
- (b) ADT shall provide information to its ADT Authorized Dealers concerning the details of the Marketing Program.
- (c) ADT shall provide other information to Elephant Group necessary for the purposes of calculating commissions for sales made through participating ADT Dealers.
- (d) ADT will mediate in good faith disputes between ADT Dealers and between ADT Dealers and Elephant Group related to this Marketing Program and in connection therewith Elephant Group shall hold ADT harmless in connection with any such mediation.
- 2. Responsibilities of Elephant Group. Elephant Group shall perform the following marketing activities during the Term at its sole cost and expense:
  - (a) Elephant Group will promote the ADT Equipment and Services to its current and prospective customers.
  - (b) Elephant Group will acquire referrals through a variety of marketing channels that include: partnerships, direct marketing and internet marketing as approved in writing by ADT. Elephant Group will pre-qualify those referrals according to ADT requirements and refer only those qualified Referrals and Leads to Participating ADT Dealers.

During the course of marketing activities, Elephant Group shall not represent itself as ADT or an ADT Dealer. Elephant Group may represent itself as authorized to perform marketing services on behalf of ADT Dealers.

## EXHIBIT C COMMISSION SCHEDULE

## ADT Compensation to Elephant Group.

Elephant Group will participate in two programs involving the ADT Authorized Dealer base and ADT.

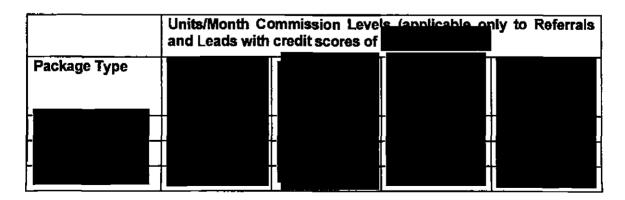
- 1. Referral Program: Elephant Group will promote, pre-qualify and set installation appointments on behalf of select ADT Authorized Dealers ("Participating ADT Dealers") who have executed a Promotion Agreement between the Dealer and Elephant Group (see Exhibit F). A "Referral" is created when (i) a customer executes a standard ADT Authorized Dealer Residential Alarm Services Agreement or any other ADT approved Residential Electronic Security Services contract, which contract was executed in response to a Elephant Group solicitation containing promotional material for the ADT Equipment and Services, as described in Exhibit A attached hereto; and (ii) payment by the customer of the installation fees. For every Referral made under this agreement, Elephant Group will receive a commission from the Participating ADT Dealer as indicated herein and on Exhibit C of the Promotion Agreement, which is included as Exhibit F of this Agreement, or as subsequently amended. Commissions are based on the average monthly production of each Participating ADT Dealer and the specific product and service sold unless (i) ADT has previously received the customer information regarding the Referral from another source within sixty (60) days of when Elephant Group provides the Referral, and (ii) ADT supplies documentation that it received the customer information regarding the Referral within the sixty (60) day window.
- 2. Lead Program: Elephant Group will provide qualified leads ("Qualified Leads") directly to Participating ADT Dealers. A Qualified Lead is any valid lead where the consumer affirmatively opted-in in a documented format and requested information about ADT alarm monitoring services from a Elephant Group website, call center or partner and Elephant Group delivers to ADT or a Participating ADT Dealer, such consumer's accurate name, address, daytime phone number, confirmation of home ownership and confirmation that such Lead is not then under contract with ADT or another alarm company. Participating ADT Dealers will have the option to participate in the Lead Program.
- 3. Completed Sale & Commissionable Event is defined as the occurrence of all of the following: (i) the customer referred to an ADT Dealer by the Elephant Group either as a Lead or a Referral executing a standard ADT or ADT Authorized Dealer Residential Alarm Services Agreement or any other Residential Electronic Security Services contract then authorized by ADT for use by ADT for the provision of Electronic Security Services to ADT residential customers in response to an Elephant Group solicitation containing ADT promotional material for the ADT Equipment and Services, as described in Exhibit A attached hereto and made part

of this Agreement; (ii) the installation of the residential security system by ADT Dealer; and (iii) payment by Customer to the ADT Dealer for the installation price of the security system equipment; and (iv) the Base Alarm Account Fee is received by the Participating ADT Dealer from ADT.

- 4. For every Qualified Lead that Elephant Group provides to a Participating ADT Dealer under the agreement, which is also a Completed Sale, Elephant Group will receive respectively a commission from the Participating ADT Dealer of dollars <u>unless</u> (i) ADT has previously received the Qualified Lead from another source within sixty (60) days of when Elephant Group provides the Qualified Lead, and (ii) ADT supplies documentation that it received the Qualified Lead within the sixty (60) day window and that the lead in question met all the requirements to be considered a Qualified Lead.
- 5. All Referrals and Leads shall be sent to the approved dealer within the Elephant Group Dealer Network – the list of ADT Dealers who have been approved by ADT and agreed to accept Elephant Group Referrals or Leads – which list may be amended from time to time by ADT.

If ADT provides written notice to Elephant Group that it will not accept Referrals or Qualified Leads for a geographic area for which ADT does not have service or a Participating ADT Dealer in the Elephant Group Dealer Network; thereafter ADT shall have no obligation to pay Elephant Group a commission(s) for any Lead or any Referral generated for such area.

- 4. Commission: ADT Dealer agrees to pay Elephant Group a Commission ("Commission") for every Referral, where sale and installation by the Participating Dealer with the consumer takes place within days of Elephant Group's submission of a Referral to Dealer. Elephant Group agrees to charge each and every Participating ADT Dealer the Commission amounts provided for in this Exhibit.
- **5. Commission Amounts**: Dealer agrees to pay Elephant Group according to the following tables:



#### **Commission Amounts Table**

Package Type (monthly monitoring rate)

Low Beacon Program Commission (all Dealers who have elected to be a part of the program)\*

- 1.
- 2.
- 3.



\* Participation in the Low Beacon Program requires Dealer to permit Elephant Group to promote on its behalf Electronic Security Services to Elephant Group Referrals with credit scores between and to pay according to the Commission Amounts Table above.

Dealer may elect to change its position, which shall be initially made in its Promotion Agreement with Elephant Group, with respect to its participation in the Low Beacon Program at any time by written notice to Elephant Group.

## 6. Commission Payment Process:

#### Commission Payment Process:

Commissions will be paid by Dealer to Elephant Group twice per month as follows:

- On the 1st day of each month Elephant Group will present Dealer with an invoice reflecting all Referrals and Leads that occurred from between the 1<sup>st</sup> day and 15<sup>th</sup> day of the prior month. Dealer will work with Elephant Group in good faith to reconcile and revise the invoice as necessary. On the fifth day of the month, Elephant Group will forward the final invoice to ADT with a copy to Dealer. On or about the 10th day of the month ADT will pay Elephant Group and deduct from Dealer's next funding the invoice amount. If the aggregate amount that the Dealer is to be funded by ADT is not equal to or greater than the Commissions owed to Elephant Group, then Dealer will pay the final invoice amount directly to Elephant Group.
- On the 16th day of each month Elephant Group will present Dealer with an invoice reflecting all Referrals and Leads that occurred from between the 16th day and last day of the prior month. Dealer will work with Elephant Group in good faith to reconcile and revise the invoice as necessary. On the 20th day of the month, Elephant Group will forward the final invoice to ADT with a copy to Dealer. On or about the 25th day of the month ADT will pay Elephant Group and deduct from Dealer's next funding the invoice amount. If the aggregate amount that the Dealer is to be funded by ADT is not equal to or

greater than the Commissions owed to Elephant Group, then Dealer will pay the final invoice amount directly to Elephant Group.

- Unless ADT is directly billed by Equifax, Elephant Group shall pay Equifax directly for credit inquiries performed on behalf of ADT Dealers working with Elephant Group in connection with the generation of leads, according to the payment terms contained in Elephant Group's agreement with Equifax or Elephant Group's agreement with ADT Dealers, as the case may be, which terms shall be provided to the ADT Dealers in writing in advance of any credit inquiries for the subject ADT Dealer, Unless ADT is directly billed by Equifax. as part of the "Commission Payment Process" described in Exhibit C, Section 4 of the Agreement, on the second regularly-scheduled invoice for a given month (on or about the 20th day of the month), Elephant Group shall submit to ADT, along with its invoice for Commissionable Events, an invoice for all Equifax credit inquiries performed by Elephant Group on behalf of Dealers. Such submission will include a report detailing the number and identification of the credit inquiries performed and on behalf of which Dealers they were performed. Unless ADT is directly billed by Equifax, on or about the 25th day of the month ADT will reimburse Elephant Group for its actual costs incurred in connection with the authorized inquiries, as part of its normal payment under the Commission Payment Process. Provided that, ADT shall not reimburse Elephant Group for such costs where: (i) ADT or an ADT Dealer is billed by Equifax for such costs; or (ii) where such costs exceed 1.5 times the number of Referrals and Leads provided by Elephant Group for the time period invoiced.
  - 1. As set forth more specifically in the Agreement, Elephant Group shall respond to telephone calls, as well as requests for information received by e-mail or through Elephant Group's website, from individuals who are interested in purchasing ADT Dealer 's products. Once an individual has confirmed that he or she would like to purchase a product offered by ADT Dealer, the customer will be asked to acknowledge that it is acceptable to obtain a consumer report in connection with the proposed transaction.
  - 2. Elephant Group represents and warrants, on the date of this Agreement and hereafter, that (a) in connection with the Agreement, it obtains Beacon scores and any other consumer report(s) solely in its capacity as a marketing agent of ADT and its dealers; (b) it has a permissible purpose to obtain any and all such consumer reports under 15 U.S.C.§ 1681b(a)(3)(F); (c) Elephant Group, ADT (if and when applicable), and the applicable ADT dealer(s) to whom customers are referred are all "joint users" of the consumer reports, as that term is used by the Federal Trade Commission in the Appendix to 16 C.F.R. Part 600; (d) it accurately represents such purpose, and the joint use of each consumer report for such purpose, to the consumer reporting agency(ies) from which Elephant Group obtains consumer reports;

- and (e) Elephant Group's services to ADT under the Agreement, and all of Elephant Group's communications, documents and processes in connection with the services, and all consumer reports obtained or solicited in connection with the Agreement, comply in all respects with the Fair Credit Reporting Act and regulations promulgated thereunder, as in effect from time to time.
- 3. Without limiting the generality of any other indemnity under the Agreement, Elephant Group shall indemnify, defend and hold harmless ADT and its affiliates, subsidiaries and parent, and their officers, directors, stockholders, employees, agents and representatives, from and against any and all costs, losses, liabilities, damages, lawsults, judgments, claims, actions, proceedings, penalties, fines and expenses, including but not limited to reasonable attorneys fees, experts' fees and costs arising out of or incurred in connection with any claims. Demands, allegations, complaints, proceedings, investigations or discovery by a third party (Including any governmental entity) ("Indemnified Claims") related to the breach by Elephant Group, or its affiliates or respective officers, employees or agents or independent contractors, of any representation or warranty contained in paragraph 2 above, or any other actual or alleged violation of applicable law arising in connection with Elephant Group's obtaining, using, disclosing or disposing of consumer reports.

## 7. Dealer Disputes:

In the event that Elephant Group refers a Elephant Group Referral/Lead to a Dealer ("Dealer A") and for some reason another Dealer ("Dealer B") ultimately performs the installation, Elephant Group will be funded according to the process outlined in this Exhibit "C." Dealer A will receive the balance of the funding from ADT if Elephant Group provides proof of the referral to Dealer A before Dealer B provides proof of sale. Elephant Group's proof of the referral to Dealer A will be in the form of referral call recordings between Elephant Group and the Elephant Group Referral/Lead.

# EXHIBIT "D" IT Information Security Requirements

IT INFORMATION SECURITY REQUIREMENTS



Subject: ADT Security Requirements

Distribution: ADT Internal, Business Partner

Date: March 2007

#### Overview

This document outlines the ADT Security Requirements that must be met for system components or processes involving ADT data. Any legal requirements, industry and government acts or regulations must be followed in addition to the security requirements in this document and if stricter may supersede these requirements.

Note that the ADT Security Requirements apply to all "system components" which is defined as any network component, server, or application included in, or connected to, the ADT data environment. Network components, include, but are not limited to, firewalls, switches, routers, wireless access points, network appliances, and other security appliances. Servers include, but are not limited to, web, database, authentication, DNS, mail, proxy, and NTP. Applications include all purchased and custom applications, including internal and external (web) applications.

#### Security Requirements

- 1. Install and maintain a firewall configuration to protect ADT data
  - 1.1 Establish firewall configuration standards that include:
    - 1.1.1 A formal process for approving and testing all external network connections and changes to the firewall configuration
    - 1.1.2 A current network diagram with all connections to ADT data, including any wireless networks
    - 1.1.3 Requirements for a firewall at each Internet connection and between any DMZ and the Intranet

- 1.1.4 Description of groups, roles, and responsibilities for logical management of network components
- 1.1.5 Documented list of services/ports necessary for business, which includes reason for use of protocol and security features implemented
- 1.1.6 Quarterly review of firewall and router rule sets
- 1.1.7 Configuration standards for routers
- **1.2**Build a firewall configuration that denies all traffic from the Internet and "untrusted" networks/hosts, except for protocols required by the business as described in 1.1.5
- 1.3 Build a firewall configuration that restricts connections between publicly accessible servers and any system component storing ADT data, including any connections from wireless networks. This firewall configuration should include:
  - 1.3.1 Restricting inbound Internet traffic to Internet protocol (IP) addresses within the DMZ (ingress filters).
  - 1.3.2 Not allowing internal addresses to pass from the Internet into the DMZ
  - 1.3.3 Implementing stateful inspection, also known as dynamic packet filtering (that is, only "established" connections are allowed into the network)
- 1.3.4 Placing the database in an internal network zone, segregated from the DMZ
- 1.3.5 Restricting outbound traffic to that which is necessary for the ADT environment
  - 1.3.6 Securing and synchronizing router configuration files. For example, running configuration files (for normal functioning of the routers), and start-up configuration files (when machines are re-booted) should have the same secure configuration
  - 1.3.7 Denying all other inbound and outbound traffic not specifically allowed.
  - 1.3.8 Installing personal firewall software on any mobile and employee-owned computers with direct connectivity to the Internet (for example, laptops used by employees), which are used to access the organization's network.
- 1.4If RFC 1918 addresses are used, implement Internet Protocol (IP) masquerading to prevent internal addresses from being translated and revealed on the Internet. Use technologies such as Port Address Translation (PAT) or Network Address Translation (NAT)
- 2. Do not use vendor-supplied defaults for system passwords and other security parameters

- 2.1 Always change the vendor-supplied defaults before you install a system on the network (e.g., passwords, SNMP community strings, and elimination of unnecessary accounts).
  - 2.1.1 For wireless environments, change wireless vendor defaults, including but not limited to, wireless equivalent privacy (WEP) keys, default service set identifier (SSID), passwords, and SNMP community strings. Disable SSID broadcasts. Enable WiFi protected access (WPA and WPA2) technology for encryption and authentication when WPA-capable.
- 2.2 Develop configuration standards for all system components. Assure that these standards address all known security vulnerabilities and are consistent with industry-accepted system hardening standards as defined, for example, by SysAdmin Audit Network Security Institute (SANS), National Institute of Standards Technology (NIST), and Center for Internet Security (CIS).
  - 2.2.1 Implement only one primary function per logical server (e.g., web servers, database servers, and DNS should be implemented on separate servers). Physical components (e.g. network cards) of servers shall not reside on multiple networks segmented by a firewall.
  - 2.2.2 Disable all unnecessary and insecure services and protocols (services and protocols not directly needed to perform the devices' specified function).
  - 2.2.3 Configure system security parameters to prevent misuse
  - 2.2.4 Remove all unnecessary functionality, such as scripts, drivers, features, subsystems, file systems, and unnecessary web servers.
- 2.3 Encrypt all non-console administrative access. Access must be encrypted through the use of technologies such as SSH, VPN, or SSL/TLS for webbased management and other non-console administrative access.

#### 3. Protect Stored ADT data

- 3.1 Keep ADT Critical or sensitive data storage to a minimum. Adhere to ADT NA Data Classification policy. All ADT data shall be destroyed or disposed of according to the data retention schedule issued by the Legal department. Team members shall not destroy or dispose of ADT records or data without specific advance management approval.
- 3.2 Portable storage devices should not be used to store ADT Critical or sensitive data. However, if necessary in order to provide a required business function an exception must be approved by IT and appropriate encryption processes must be implemented.

- **3.3** When being displayed mask any sensitive data such as credit cards, debit cards, bank account numbers, social security numbers/social insurance numbers, passwords, PHI<sup>123</sup>, driver's license numbers, etc. that is not required by the end user to perform their job function.
- 3.4Render sensitive data (credit cards, debit cards, bank account numbers, social security numbers/social insurance numbers, passwords, PHI, driver's license numbers, etc.) unreadable anywhere it is stored (including backup media or in logs) by using strong cryptography, such as AES 128-bit.
  - 3.4.1 If disk encryption is used (rather than file- or column-level database encryption), logical access must be managed independently of native operating system access control mechanisms (for example, by not using local system or Active Directory accounts). Decryption keys must not be tied to user accounts.
- **3.5**For credit cards do not store sensitive authentication data subsequent to authorization (even if encrypted). Sensitive authentication data includes the data cited as follows:
- 3.5.1 Do not store the full contents of any track from the magnetic stripe (that is on the back of a card, in a chip or elsewhere). This data is alternatively called full track, track, track 1, track 2, and magnetic stripe data
- 3.5.2 Do not store the card-validation code or value (three-digit or four-digit number printed on the front or back of a payment card) used to verify card-not-present transactions
- 3.5.3 Do not store the personal identification number (PIN) or the encrypted PIN block.

(1) Is created or received by a health care provider, health plan, employer, or health care clearinghouse; and

(i) That identifies the individual; or

(ii) With respect to which there is a reasonable basis to believe the information can be used to identify the individual. (http://www.hhs.gov/ocr/hipaa/privruletxt.txt)

<sup>&</sup>lt;sup>1</sup> Protected health information includes individually identifiable health information. Individually identifiable health information is information that is a subset of health information, including demographic information collected from an individual, and:

<sup>(2)</sup> Relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and

<sup>&</sup>lt;sup>2</sup> (PHI) Protected Health Information is any information about health status, provision of health care, or payment for health care that can be linked to an individual. This is interpreted rather broadly and includes any part of a patient's medical record or payment history.(http://en.wikipedia.org/wiki/HIPAA#The\_Privacy\_Rule)

<sup>3</sup> http://privacy.med.miami.edu/glossary/xd\_protected\_health\_info.htm

- 3.6 Protect encryption keys used for encryption of ADT data against both disclosure and misuse
  - 3.6.1 Restrict access to keys to the fewest number of custodians necessary
  - 3.6.2 Store keys securely in the fewest possible locations and forms.
- 3.7 Fully document and implement all key management processes and procedures for keys used for encryption ADT data, including the following:
  - 3.7.1 Generation of strong keys
  - 3.7.2 Secure key distribution
  - 3.7.3 Secure key storage
  - 3.7.4 Periodic changing of keys
    - As deemed necessary and recommended by the associated application (for example, re-keying); preferably automatically
       At least annually.
  - 3.7.5 Destruction of old keys
  - 3.7.6 Split knowledge and establishment of dual control of keys (so that it requires two or three people, each knowing only their part of the key, to reconstruct the whole key)
  - 3.7.7 Prevention of unauthorized substitution of keys
  - 3.7.8 Replacement of known or suspected compromised keys
  - 3.7.9 Revocation of old or invalid keys
  - 3.7.10 Requirement for key custodians to sign a form stating that they understand and accept their key-custodian responsibilities.

#### 4. Encrypt transmission of ADT sensitive data across networks

- 4.1 Use strong cryptography and encryption techniques (at least 128 bit) such as Secure Sockets Layer (SSL) or Internet Protocol Security (IPSEC) to safeguard ADT sensitive data during transmission
  - 4.1.1 All wireless implementations must put into practice WPA, WPA2, 802.11i or a superseding standard and must not use WEP encryption unless it is used in conjunction with PEAP.
    - Never rely exclusively on WEP to protect confidentiality and access to a wireless LAN. If WEP is used do the following:
    - Use with a minimum 104-bit encryption key and 24 bit-initialization value
    - Rotate shared WEP keys quarterly (or automatically if the technology permits)
    - Rotate shared WEP keys whenever there are changes in personnel with access to keys

4.2 Never send ADT sensitive data via unencrypted e-mail.

# 5. Use and regularly update anti-virus software or programs

- **5.1** Deploy anti-virus mechanisms on all systems commonly affected by viruses (e.g. PC's and servers).
- 5.1.1 Ensure that anti-virus programs are capable of detecting, removing, and protecting against other forms of malicious software, including spyware and adware.
- **5.2**Ensure that all anti-virus mechanisms are current, actively running, and capable of generating audit logs.

# 6. Develop and maintain secure systems and applications

- **6.1** Ensure that all system components and software have the latest vendor-supplied security patches.
  - 6.1.1 Install relevant security patches within one month of release. If there is 'proof of concept' exploit code circulating the Internet, the patch must be applied within 48 hours. If there are active attacks or worm activity, patches must be applied within 8 hours.
- 6.2 Establish a process to identify newly discovered security vulnerabilities (e.g., subscribe to alert services freely available on the Internet and from software and system vendors in use). Update your system and application standards to address new vulnerability issues.
- **6.3** Develop software applications based on industry best practices and include information security throughout the software development life cycle. Include the following:
  - 6.3.1 Testing of all security patches and system and software configuration changes before deployment
  - 6.3.2 Separate development, test, and production environments
  - 6.3.3 Separation of duties between development, test, and production environments
  - 6.3.4 Production ADT Critical or sensitive data is not used for testing or development
  - 6.3.5 Removal of test data and accounts before production systems become active

- 6.3.6 Removal of custom application accounts, usernames, and passwords before applications become active or are released to customers.
- 6.3.7 Review of custom code prior to release to production or customers, to identify any potential coding vulnerability
- **6.4**Follow change control procedures for all system and software configuration changes. The procedures should include:
  - 6.4.1 Documentation of impact
  - 6.4.2 Management sign-off by appropriate parties
  - 6.4.3 Testing that verifies operational functionality
  - 6.4.4 Back-out procedures.
- 6.5 Develop web software and applications based on secure coding guidelines such as the Open Web Application Security Project guidelines. Review custom application code to identify coding vulnerabilities (See http://www.owasp.org "The Ten Most Critical Web Application Security Vulnerabilities."). Cover prevention of common coding vulnerabilities in software development processes, to include:
  - 6.5.1 Invalidated input
  - 6.5.2 Broken access control (e.g., malicious use of user IDs)
  - 6.5.3 Broken authentication/session management (use of account credentials and session cookies)
  - 6.5.4 Cross-site scripting (XSS) attacks
  - 6.5.5 Buffer overflows
  - 6.5.6 Injection flaws (e.g., SQL injection)
  - 6.5.7 Improper error handling
  - 6.5.8 Insecure storage
  - 6.5.9 Denial of service
  - 6.5.10 Insecure configuration management
- **6.6** Ensure that all web-facing applications are protected against known attacks by applying either of the following methods:
  - 6.6.1 Having all custom application code reviewed for common vulnerabilities by an organization that specializes in application security
  - 6.6.2 Installing an application layer firewall in front of web-facing applications
- 7. Restrict access to ADT data by business need-to-know
  - 7.1 Limit access to computing resources and ADT information to only those individuals whose job requires such access.

- 7.2 Establish a mechanism for systems with multiple users that restricts access based on a user's need to know, and is set to "deny all" unless specifically allowed.
- 7.3 Access to ADT Critical or sensitive data shall be regularly reviewed and updated.

# 8. Assign a unique ID to each person with computer access

- 8.1 Identify all users with a unique username before allowing them to access system components or ADT Critical or sensitive data.
- **8.2** Employ at least one of the following methods, in addition to unique identification, to authenticate all users: Password, Token devices (e.g., SecureID, certificates, or public key), biometrics.
- **8.3** Implement two-factor authentication for remote access to the network by employees, administrators, and third parties. Use technologies such as RADIUS or TACACS with tokens, or VPN with individual certificates.
- **8.4**Encrypt all passwords during transmission and storage, on all system components.
- **8.5** Ensure proper user authentication and password management for non-consumer users and administrators, on all system components.
  - 8.5.1 Control the addition, deletion, and modification of user IDs, credentials, and other identifier objects.
  - 8.5.2 Verify user identity before performing password resets.
  - 8.5.3 Set first-time passwords to a unique value per user and change immediately after first use
  - 8.5.4 Immediately revoke accesses of terminated users.
  - 8.5.5 Restrict the connection times of users, where applicable.
  - 8.5.6 Remove or disable inactive user accounts at least every 90 days
  - 8.5.7 Enable accounts used by vendors for remote maintenance only during the time needed
  - 8.5.8 Distribute password procedures and policies to all users who have access to ADT information
  - 8.5.9 Do not use group, shared, or generic accounts and passwords
  - 8.5.10 Change user passwords at least every 90 days
  - 8.5.11 Require a minimum password length of at least eight characters
  - 8.5.12 Use passwords containing both numeric, alphabetic, and special characters

- 8.5.13 Do not allow an individual to submit a new password that is the same as any of the last six passwords he or she has used
- 8.5.14 Limit repeated access attempts by locking out the user ID after not more than six attempts
- 8.5.15 Set the lockout duration to thirty minutes or until administrator enables the user ID
- 8.5.16 If a session has been idle for more than 15 minutes, require the user to re-enter the password to re-activate the terminal
- 8.5.17 Authenticate all access to any database containing ADT information. This includes access by applications, administrators, and all other users.

# 9. Restrict physical access to ADT data

- 9.1 Use appropriate facility entry controls to limit and monitor physical access to systems that store, process, or transmit ADT data.
  - 9.1.1 Use cameras to monitor sensitive areas. Audit this data and correlate with other entries. Store for at least three months, unless otherwise restricted by law.
  - 9.1.2 Restrict physical access to publicly accessible network jacks.
  - 9.1.3 Restrict physical access to wireless access points, gateways, and handheld devices.
- 9.2 Access to facilities that store or process ADT Critical or sensitive data shall be controlled and restricted to authorized persons only. Authentication controls (e.g. badge swipe systems) shall be used to authorize and validate all access. A record of all access shall be securely maintained.
- 9.3 Develop procedures to help all personnel easily distinguish between employees and visitors, especially in areas where ADT information is accessible. "Employee" refers to full-time and part-time employees, temporary employees/personnel, and consultants who are "resident" on the entity's site. A "visitor" is defined as a vendor, guest of an employee, service personnel, or anyone who needs to enter the facility for a short duration, usually not more than one day.
- 9.4All personnel shall be required to wear some form of visible identification.
- 9.5 Make sure all visitors are:
  - 9.5.1 Authorized before entering areas where ADT data is processed or maintained
  - 9.5.2 Given a physical token (e.g., badge or access device) that expires, and that identifies them as non-employees

- 9.5.3 Asked to surrender the physical token before leaving the facility or at the date of expiration.
- 9.5.4 Supervised while in secure areas, or cleared for non-escorted accessed via an appropriate background check. Visitors shall only be granted access for specific, authorized purposes and shall be provided with instructions on the security requirements of the area and on emergency procedures.
- 9.6 Use a visitor log to retain a physical audit trail of visitor activity including date and time of entry and departure. Retain this log for a minimum of three months, unless otherwise restricted by law.
- 9.7 Store media back-ups in a secure off-site facility, which may be either an alternate third-party or a commercial storage facility.
- 9.8 Physically secure all paper and electronic media (e.g., computers, electronic media, paper receipts, paper reports, and faxes) that contain ADT Critical or sensitive data.
- 9.9 Maintain strict control over the internal or external distribution of any kind of media that contains ADT Critical or sensitive data including:
  - 9.7.1 Classify the media so it can be identified as such
  - 9.7.2 Send the media via secured counier or a delivery mechanism that can be accurately tracked.
- 9.10 Ensure management approves all media that is moved from a secured area (especially when media is distributed to individuals).
- 9.11 Maintain strict control over the storage and accessibility of media that contains ADT Critical or sensitive data:
  - 9.11.1 Properly inventory all media and make sure it is securely stored.
- **9.12** Destroy media containing ADT Critical or sensitive data when it is no longer needed for business or legal reasons:
  - 9.12.1 Cross-cut shred, incinerate, or pulp hardcopy materials
  - 9.12.2 Purge, degauss, shred, or otherwise destroy electronic media so that data cannot be reconstructed.
  - 9.12.3 Maintain a disposal log that provides an audit trail for disposal activities.
  - 9.12.4 When accumulating media for disposal, consideration should be given to the aggregation effect, which may cause a large quantity of information to change classification.

- 9.12.5 The following list identifies some of the items that require secure disposal if such item(s) contain ADT Critical or sensitive data:
  - 9.12.5.1 Paper documents
  - 9.12.5.2 Magnetic tapes
  - 9.12.5.3 Removable disks or cassettes
  - 9.12.5.4 Optical storage media
  - 9.12.5.5 System documentation
  - 9.12.5.6 Hard drives
- 9.13 Hard drives that contain ADT data shall be completely sanitized of all data using a disk wipe tool, software (such as DBAN) or hardware, that performs the sanitization process when a system is taken out of service or reissued. Software such as FDISK and FORMAT are not acceptable tools to wipe a disk. The following is also required:
- 9.13.1 A documented disk wipe procedure that explains the process.
- 9.13.2 If a disk wipe tool is not available or does not work on the system that requires wiping then dependent on the media it shall be degaussed or physically destroyed. This also applies to floppy disks, optical disks, USB drives or other media that needs to be wiped.

# 10. Track and monitor all access to network resources and ADT data

- 10.1 Establish a process for linking all access to system components (especially those done with administrative privileges such as root) to an individual user.
- 10.2 Implement automated audit trails to reconstruct the following events, for all system components:
  - 10.2.1 All individual user accesses to ADT Critical or sensitive data
  - 10.2.2 All actions taken by any individual with root or administrative privileges
  - 10.2.3 Access to all audit trails
  - 10.2.4 Invalid logical access attempts
  - 10.2.5 Use of identification and authentication mechanisms
  - 10.2.6 Initialization of the audit logs
  - 10.2.7 Creation and deletion of system-level objects
- 10.3 Record at least the following audit trail entries for each event, for all system components:
  - 10.3.1 User identification
  - 10.3.2 Type of event
  - 10.3.3 Date and time
  - 10.3.4 Success or failure indication

10.3.5 Origination of event

1

- 10.3.6 Identity or name of affected data, system component, or resource.
- 10.4 Synchronize all critical system clocks and times.
- 10.5 Secure audit trails so they cannot be altered, including the following:
  - 10.5.1 Limit viewing of audit trails to those with a job-related need
  - 10.5.2 Protect audit trail files from unauthorized modifications
  - 10.5.3 Promptly back-up audit trail files to a centralized log server or media that is difficult to alter
  - 10.5.4 Copy logs for wireless networks onto a log server on the internal LAN.
  - 10.5.5 Use file integrity monitoring/change detection software (such as Tripwire) on logs to ensure that existing log data cannot be changed maliciously without generating alerts (although new data being added should not cause an alert).
- 10.6 Review logs for all system components at least daily. Log reviews should include those servers that perform security functions like IDS and authentication (AAA) servers (e.g. RADIUS). Log harvesting, parsing, and alerting tools may be used to meet this requirement.
- **10.7** Retain audit trail history for at least one year, with a minimum of three months online availability.

# 11. Regularly test security systems and processes

- 11.1 Test security controls, limitations, network connections, and restrictions annually to assure the ability to adequately identify or stop any unauthorized access attempts. Where wireless technology is deployed, use a wireless analyzer at least quarterly to identify all wireless devices in use.
- 11.2 Run internal and external network vulnerability scans at least quarterly and after any significant change in the network (e.g., new system component installations, changes in network topology, firewall rule modifications, product upgrades). Note that quarterly external vulnerability scans must be performed by a scan vendor qualified by a reputable standard such as that of the Payment Card Industry.
- 11.3 Perform penetration testing at least once a year and after any significant infrastructure or application upgrade or modification (such as an operating system upgrade, a sub-network added to the environment, or a web server added to the environment). These penetration tests must include the following:

- 11.3.1 Network-layer penetration tests
- 11.3.2 Application-layer penetration tests
- 11.4 Use network intrusion detection systems, host-based intrusion detection systems, or intrusion prevention systems to monitor all network traffic and alert personnel to suspected compromises. Keep all intrusion detection and prevention engines up to date.
- 11.5 Deploy file integrity monitoring to alert personnel to unauthorized modification of critical system or content files, and perform critical file comparisons at least weekly. Critical files are not necessarily those containing ADT Critical or sensitive data. For file integrity monitoring purposes, critical files are usually those that do not regularly change, but the modification of which could indicate a system compromise or risk of compromise. File integrity monitoring products usually come pre-configured with critical files for the related operating system. Other critical files, such as those for custom applications, must be evaluated and defined by the system and application administrators.

# 12. Maintain a policy that addresses information security for employees and contractors

- 12.1 Maintain a management framework to initiate and control the implementation of information security within the organization. Such a framework shall include suitable management leadership to establish and approve the security policy, assign security roles and coordinate the implementation of the security policy across its organization.
- 12.2 Establish, publish, maintain, and disseminate a security policy that:
  - 12.2.1 Addresses all requirements in this specification.
  - 12.2.2 Includes an annual process that identifies threats, and vulnerabilities, and results in a formal risk assessment
  - 12.2.3 Includes a review at least once a year and updates when the environment changes.
- 12.3 Develop daily operational security procedures that are consistent with requirements in this specification (e.g., user account maintenance procedures, log review procedures, etc.)
- 12.4 Develop usage policies for critical employee-facing technologies, such as modems and wireless access points, to define proper use of these

technologies for all employees and contractors. Ensure these usage policies require:

- 12.4.1 Explicit management approval
- 12.4.2 Authentication for use of the technology
- 12.4.3 A list of all such devices and personnel with access
- 12.4.4 Labeling of devices with the owner, contact information, and purpose
- 12.4.5 Acceptable uses of the technologies
- 12.4.6 Acceptable network locations for the technologies
- 12.4.7 A list of company-approved products
- 12.4.8 Automatic disconnect of modern sessions after a specific period of inactivity
- 12.4.9 Activation of modems for vendors only when needed by vendors, with immediate deactivation after use.
- 12.4.10 ADT Critical or sensitive data shall not be accessed via modem
- **12.5** Ensure the security policy and procedures clearly define information security responsibilities for all employees and contractors.
- **12.6** Assign to an individual or team the following information security management responsibilities:
  - 12.6.1 Establish, document, and distribute security policies and procedures
  - 12.6.2 Monitor and analyze security alerts and information, and distribute to appropriate personnel
  - 12.6.3 Establish, document, and distribute security incident response and escalation procedures to ensure timely and effective handling of all situations
  - 12.6.4 Administer user accounts, including additions, deletions, and modifications
  - 12.6.5 Monitor and control all access to data.
- 12.7 Implement a formal security awareness program to make all employees aware of the importance of ADT data
  - 12.7.1 Educate employees upon hire and at least annually (e.g., through posters, letters, memos, meetings, and promotions).
  - 12.7.2 Require employees to acknowledge in writing they have read and understood the company's security policy and procedures.
- **12.8** Screen potential employees to minimize the risk of attacks from internal sources.
- 12.9 If the access to ADT data is legally permitted for an entity, as stipulated in a contract with ADT, contractually the following is required:

- 12.9.1 Adhere to the ADT Security Requirements.
- 12.9.2 Acknowledgement of responsibility for security of ADT data stored or transmitted.
- 12.9.3 Business continuity in the event of a major disruption, disaster or failure.
- 12.9.4 Audit provisions that ensure that ADT will be provided with full cooperation and access to conduct a thorough security review at the onset of the agreement, periodically, and after a security intrusion. The review will validate compliance with the ADT requirements for protecting ADT data.
- 12.9.5 Termination provision that ensures ADT data will continue to be treated as confidential.
- 12.9.6 If legally permitted for an entity, as stipulated in a contract with ADT, to release ADT data to subcontractors then ADT Critical or sensitive data shall be removed. ADT Critical or sensitive data removal shall be accomplished before providing said information.
- 12.10 Implement an incident response plan. Be prepared to respond immediately to a system breach.
  - 12.10.1 Create an incident response plan to be used in the event of system compromise. Ensure the plan addresses, at a minimum, specific incident response procedures, business recovery and continuity procedures, data backup processes, roles and responsibilities, and communication and contact strategies
  - 12.10.2 Test the plan at least annually.
  - 12.10.3 Designate specific personnel to be available on a 24/7 basis to respond to alerts.
  - 12.10.4 Provide appropriate training to staff with security breach response responsibilities.
  - 12.10.5 Include alerts from intrusion detection, intrusion prevention, and file integrity monitoring systems.
  - 12.10.6 Have a process to modify and evolve the incident response plan according to lessons learned and to incorporate industry developments.

# EXHIBIT "E" ADT DUE DILIGENCE REQUEST FOR INFORMATION

# **Dear Prospective ADT Contractor:**

ADT Security Services, Inc.
One Town Center Road

Thank you for your interest in providing Contracting services to ADT Security Services, Inc. ("ADT"). In order to be considered for and be qualified as an Approved ADT Contractor, you must complete this form and return it with all other required documents (including your Telemarketing policies and procedures) to:

	Boca Raton, FL 33486
	Attn: Legal Department
A.	Business Information:
1.	Corporation Sole Proprietorship Partnership LLC
2.	Full Legal name of Organization: Elephan Group, Inc.
	Hereinafter "the Company".
3.	DBA(s) (if any):
4.	State of Incorporation (Organization/Formation if other than corporation):
<b>5</b> .	Date of Incorporation (Organization/Formation): \ \ 994
6.	State(s) where outbound telemarketing calls are made to and from:
7.	Name(s) of Owner(s), Principal(s), Partner(s), and/or Member(s):
	(a) Rong Albard
	(b) Takaph Banira
	(c) feed Shapiro

	(d)
8. P	Primary Business Address: 3303 W. Composical Blood. For Landonlob, Fr 33307
9. N	Mailing Address (if different than above):
10.	Telephone #: 954 657-9680 Fax #:
11.	Cell/Pager #: 24-Hour Emergency #:
12. 13. 14. 15.	Business E-Mail Address:  Business Web Site (URL):  Owner/President Personal E-Mail Address:
B.	Telemarketing Compliance Information:
that injur	Do you represent and warrant that there are no legal judgments filed against er the Company or its Owner/Officer/Director/Member related to telemarketing and the Company is not subject to any consent decrees, voluntary compliance orders, actions, or other type of orders or processes imposed by any federal, state, or local ernment body, agency or official related to telemarketing?  Yes \( \sum \) No \( \sum \)
of pl	bu have answered NO, please furnish copies of such documents and the name(s) laintiff, type of judgment, amount involved, county/state filed, disposition (i.e. has ment been removed, are you paying on judgment, are you disputing judgment, etc.) any other information you may have.

2. Do you represent and warrant that the Company/Owner is not involved in any present or pending litigation related to telemarketing?

Yes 🔀 No 🗌
If you have answered NO, please explain nature of litigation, (e.g.: Is matter settled or pending?) and any other information you may have.
3. Do you represent and warrant that the Company/Owner has never been found to be in violation of the Telemarketing Sales Rule or any state regulation or rule related to telemarketing?
Yes ☑ No □
If you have answered NO, please explain the nature of the violation and all attendant circumstances.
Attach additional sheets as needed.
4. Do you currently provide telemarketing services to any other company? Yes No Σ
If you have answered YES, please provide references including names and contact information for three such companies with whom you have provided telemarketing services within the past year.
(a)
(b)
(c)

5.	Provide	eviden	e you h	ave purcha	ased all ne	ecessary	state and	the Fede	eral Do
Not 0	Call Lists a	ind list	below or	provide a	copy of a	ll necess	ary telema	arketing l	icenses
in juri	isdictions	where y	ou provi	de telemai	keting ser	vices.		•	

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(b)	HOLD STATE RUSISIMEN FOR ALL STATES	Dur	Req	ĨĨ.	•
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6. Please include any additional information that you feel is important in the evaluation of your company for inclusion in ADT's evaluation of your company as a Contractor that may provide Telemarketing Services on behalf of ADT:

THAT WE MAND WAY PROSONED DOW, ARAPA GA. WE SULVE MYSTOR AND MARTINE AS ALL SMAT LOVEL, WE LOVE, AS WELL AS ALL SMAT LOVEL, WE PROWN AND INTERNALANCE LIST.

#### **COMPANY CERTIFICATION**

I am an officer, director, or owner of the Company and have sufficient knowledge to complete this questionnaire and certification. I have attempted to answer all questions in a full and complete manner to assure that the answers are not in any respect misleading. I recognize that ADT will be relying on the accuracy of the information supplied in the responses in this questionnaire when deciding whether to permit the Company to provide Telemarketing Services to ADT.

Dated at (location):	(City & State) (Date)
Name of Company:	ELEPHAN Group.
Completed by:	(Signature)  (Name Printed)
Title:	(must be signed by an officer of the Company)

#### **EXHIBIT "F"**

#### **PROMOTION AGREEMENT**

THIS PROMOTION AGREEMENT is made as of \_\_\_\_\_\_\_, 2007 (the "Effective Date") by and between Elephant Group, Inc., ("Elephant Group"), a Delaware corporation with its principal place of business located at 3303 West Commercial Blvd., Ft. Lauderdale, FL 33309 and Homes.org, a wholly-owned limited liability company of Elephant Group inc., (hereinafter referred to as "Elephant Group") and DEALER, an Authorized ADT Dealer with an office located at: (hereinafter referred to as "Dealer"). References to ADT refer to ADT Security Services, Inc.

#### WITNESSETH:

WHEREAS, Elephant Group is in the business of promoting residential security services and systems in the United States of America (the "U.S.");

WHEREAS, ADT is in the business of providing electronic security services to residences in the U.S., including the sale, installation, monitoring, and maintenance of electronic security systems in such residences (collectively, "Electronic Security Services");

WHEREAS, Dealer is an independent contractor authorized dealer for ADT and in the business of providing electronic security services to residences in the U.S., including the sale, installation and maintenance of electronic security systems in such residences (collectively, "Electronic Security Services");

WHEREAS, the parties desire for Elephant Group to promote and refer leads for acceptance by Dealer and for Dealer to sell and install Electronic Security Services to Elephant Group's referrals/leads (collectively, "Elephant Group Referral/Leads") as provided herein and further described in <a href="Exhibit B1">Exhibit B1</a> attached hereto and made part of this Promotion Agreement (the "Marketing Program");

WHEREAS, Elephant Group and Dealer wish to allow Elephant Group to promote and refer leads for acceptance by Dealer and for Dealer to sell and install the products and services described in Exhibit "A1".

- NOW, THEREFORE, for and in consideration of the promises and covenants contained herein and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:
- 1. Compensation. As total compensation for the overall marketing efforts described in this Promotion Agreement the parties agree to the commission schedule as provided herein and further described in <a href="Exhibit C1">Exhibit C1</a> attached hereto and made part of this

Promotion Agreement (the "Commission Schedule.

- 2. Reporting. Subject to the confidentiality provisions of this Promotion Agreement, Dealer shall maintain up-to-date and accurate status on all orders submitted to Dealer by Elephant Group.
- 3. Marketing Program. In furtherance of this Promotion Agreement, the parties shall perform the marketing activities as provided herein and as further described in Exhibit B1 attached hereto and made part of this Promotion Agreement.
- (a) Elephant Group agrees that its authority under this Promotion Agreement shall be strictly limited to the advertisement and promotion of Referral/Leads for Dealer for the ADT Dealer Equipment and Services set forth in <a href="Exhibit A1">Exhibit A1</a> and such other ADT Dealer Equipment and Services which may be subsequently incorporated into this Promotion Agreement and as may be updated from time to time.
- 4. Trademarks and Trade Names. Neither Dealer nor Elephant Group shall knowingly use, authorize or encourage others to use in any manner or form whatsoever, any trademarks, service marks or trade names owned by ADT, Dealer or Elephant Group respectively or their affiliates, or any other confusingly similar trademarks, service marks or trade names, on or in connection with any materials or products processed or manufactured by ADT, Dealer or Elephant Group without the prior express written approval of the appropriate other party. The form of any written or telemarketing communication by Elephant Group mentioning ADT must be approved in writing by ADT prior to use.
- 5, Authentication Rights. Elephant Group is authorized to conduct audits of any cancelled accounts (defined as sold, but never installed) within 12 months of cancellation. If the audit finds a discrepancy of what was reported to Elephant Group by ADT or Dealer (resulting in underpayment of earned commissions), then Dealer shall be obligated for payment of earned commissions and if the total number of discrepancies is more than 5% of commissions paid, then Dealer will also pay the cost of the audit.

#### 6. Effective Date and Termination.

- (a) This Agreement shall be effective on the Effective Date as set forth on page one of this Promotion Agreement and have an initial term of 12 months beginning from the date the first Elephant Group order is received by Dealer ("Initial Term").
- (b) After expiration of the initial Term (such date of expiration being referred to herein as the "Initial Term Expiration Date"), this Agreement shall automatically renew on the terms and conditions contained herein for up to four (4) additional, successive twelve (12) month periods, each commencing on the anniversary date of the Initial Term Expiration Date, unless either party shall notify the other of its desire to terminate this

Promotion Agreement with or without cause at least sixty (60) days prior to the annual anniversary date hereof (each such twelve (12) month period being referred to herein as a "Renewal Term").

- (c) If either party materially breaches this Agreement and fails to cure such material breach within thirty (30) days of such breaching party's receipt of written notice from the other party specifying the details of the material breach, then the non-breaching party may terminate this Promotion Agreement upon the delivery of written notice to the other party. Such termination shall be without prejudice to any of the non-breaching party's other remedies at law or in equity. In no event shall either party be liable for loss of special, indirect, incidental or consequential damages arising from breach of the Agreement.
- (e) Elephant Group will receive full commission (as outlined in Exhibit C1) for any referrals provided by Elephant Group which become Dealer Customers within 90 days after the termination date of this Agreement.
- (f) Elephant Group will receive full commission (as outlined in exhibit C1) for any referral installed within 90 days of referral to Dealer; this includes referrals that initially cancel, postpone or otherwise delay installation and subsequently become home security customers of Dealer.
- (g) This Agreement (the Promotion Agreement) will terminate in the event that there is no longer an agreement in effect between ADT Security Services, Inc., and Elephant Group governing the terms and conditions under which Elephant Group can provide ADT Dealers with Referrals or Leads.

# 7. Indemnification.

(a) Indemnification by Dealer. Dealer hereby agrees at all times to indemnify, defend and hold Elephant Group, its officers, directors, shareholders, agents, service providers and employees, harmless from and against any and all claims, actions, costs, expenses, losses, liabilities, and damages, (i)occurring in homes or other premises of Dealer customers secured pursuant to this Agreement resulting from the negligent acts or omissions of Dealer, its agents or employees, arising out of Dealer's activities with regard to this Promotion Agreement or fulfilling obligations to customers under the standard ADT Authorized Dealer Residential Alarm Services Agreement, except to the extent that any such claim or action is due to any negligent acts, omissions, wrongful acts, fault or willful misconduct of Elephant Group, its employees, agents or invitees, (ii) resulting from ADT Dealer marketing materials [such as their failure to honor promotional offers], (iii) resulting from credit inquiries made by Elephant Group on prospective Dealer customers on behalf of Dealer unless the claim is a result of Elephant Group's actions resulting from the credit report and (iv) any breach of the Promotion Agreement by Dealer. If any act or proceeding in connection with any such matter is brought against Elephant Group, Elephant Group

shall immediately notify Dealer and fumish both Dealer and ADT with a copy of any papers served.

(b) **Indemnification by Elephant Group**. Elephant Group hereby agrees at all times to indemnify, defend and hold Dealer, its officers, directors, shareholders, agents, service providers and employees, harmless from and against any and all claims, actions, costs, expense, losses, liabilities and damages resulting from any breach of this Promotion Agreement by Elephant Group.

# 8. Confidentiality.

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- (a) The names, addresses, telephone numbers and account numbers of Elephant Group Referrals/Leads, all contracts with Elephant Group Referrals/Leads, marketing research, marketing solicitation and advertising materials that have been created, developed for or by, or are acquired, by Elephant Group are proprietary, owned by Elephant Group and are to be considered and treated as trade secrets. All of the foregoing shall remain the exclusive property of and shall not be used for any purposes or divulged by Dealer to any third party, without the specific written consent of Elephant Group, which may be granted or withheld by Elephant Group in its sole discretion. This provision shall not apply to the extent that such information is independently discernible or is in the public domain or the disclosure of such information is required by law. This provision shall survive termination of this Promotion Agreement.
- (b) The names, addresses, telephone numbers and account numbers of Dealer Customers ("Dealer Customer" is defined as a Elephant Group Referrals/Leads who has installed a home security system and a commission to Elephant Group has been paid), all contracts with Dealer Customers, marketing research, marketing solicitation and advertising materials that have been created, developed for or by, or are acquired, by Dealer are proprietary, owned by Dealer and are to be considered and treated as trade secrets. All of the foregoing shall remain the exclusive property of Dealer and shall not be used for any purpose or divulged by Elephant Group to any third party, without the specific written consent of Dealer, which may be granted or withheld by Dealer in its sole discretion. This provision shall not apply to the extent that such information is independently discernible or is in the public domain or the disclosure of such information is required by law. This provision shall survive termination of this Promotion Agreement.
  - (c) Notwithstanding Sections 8(a) and 8(b), either party has the right to provide, at their discretion or at the request of ADT, any information associated with this Promotion Agreement with ADT.
  - 9. Representations and Warranties. Each party represents and warrants to the other that (a) it is duly qualified and licensed to do business and to carry out its obligations under this Promotion Agreement; (b) it will comply with all applicable federal, state, and local law and policies, Dealer further warrants that is has complied with all licensing and permitting requirements in

jurisdictions where the performance of each parties obligations under this Promotion Agreement will be performed; (c) the making of this Promotion Agreement and the delivery of the Program as contemplated by this Promotion Agreement does not violate any law or regulation to which it is subject; and (d) neither its execution and delivery of this Promotion Agreement nor its performance of this Promotion Agreement is a violation on its part of any contract, indenture, or other agreement or relationship to which it is a party or by which it is bound. Notwithstanding the above, Elephant Group agrees to indemnify, defend, and hold harmless ADT Dealers from and against any claims that relate to Elephant Group's acts or omissions in connection with gathering credit information for each and every Referral and/or Lead – regardless of whether Elephant Group elects to gather such credit information directly by agreement with Equifax or by virtue of Dealer's agreement with Equifax.

- 10. Entire Promotion Agreement. This Promotion Agreement constitutes the entire Promotion Agreement between Elephant Group and Dealer with respect to the subject matter hereof and may be amended only by writing duly executed by Dealer and Elephant Group.
- 11. Waivers. No failure by either party to exercise, or any delay by either party in exercising its rights, and no course of dealing with respect to any right of such party of any obligation of the other party to this Promotion Agreement, shall operate as a waiver thereof, unless and only to the extent agreed to in writing by both parties. Any single or partial waiver by either party of any obligation to the other party under this Promotion Agreement shall constitute a waiver of such obligation only as specified in such waiver of any other obligation.
- 12. Assignment. Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party except that either one of the parties may assign their rights and obligations under this agreement without the approval of the other party to any of their affiliates, subsidiaries or parent companies or to an entity other than an affiliate, subsidiary or parent company that (a) acquires substantially all of the assets or stock of, merges or consolidates with or into, or acquires a controlling interest in them and (b) expressly assumes in writing that party's obligations and responsibilities hereunder. Any attempted assignment that does not comply with the terms of this section will be void.
- 13. Notices. Any notice or other communication required or permitted to be given under this Promotion Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand, by a nationally recognized air courier service, or through the United States Postal Services, first class certified mail, return receipt requested, postage pre-paid and addressed to:

If to Elephant Group, to:

Elephant Group 3303 West Commercial Blvd., Ft. Lauderdale, FL 33309 Attention: General Manager – Elephant Group

And if to Dealer:

Attention: Telefax:

or to any other such person or persons whom either party may designate in writing at any time or from time to time.

- **14. Governing Law.** This Promotion Agreement shall be subject to and governed by the laws of the State of Colorado.
- 15. Severability. In the event any provision hereof shall be found unenforceable or invalid under any such law, rule or regulation, the same shall not affect the remaining provisions of this Promotion Agreement, provided no injustice shall be created thereby, and to this end the provisions hereof are intended to be and shall be severable. In the event of such injustice the parties shall confer in good faith to ameliorate the injustice by appropriate means.
- 16. Consents. Where the consent or approval of any party is required hereunder, such consent or approval shall be deemed to have been duly given in writing by any one of the following representatives of such party or such other representative as such party may designate from time to time:

If from Dealer: President/CEO

If from Elephant Group: General Manager – Elephant Group

**IN WITNESS WHEREOF**, the parties hereto have caused this Promotion Agreement to be effective upon the execution hereof.

ELEPHANT GROUP, LLC	DEALER	
Bv:	Bv:	
Title: CEO ,	Title:	
Date: _ <   \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Date:	

#### Exhibit "A1"

# **PRODUCT AND SERVICES**

- 1. Offer Marketed by Elephant Group
  - One U.L. listed master control panel with emergency back-up battery
  - One digital keypad
  - One interior alarm siren
  - Up to three door/window contacts
  - One wireless keychain remote -- or other ADT approved "special offer" to secure the lead
  - One U.L. listed interior motion detector
  - One telephone interface jack for connection to ADT's Customer Care Center
  - One ADT yard sign and warning decals
  - Professional installation by installer
  - \$99 installation fee for qualified customers
  - Monthly monitoring
    - Base System ("Basic"): \$35.99 with credit card or automatic bank withdrawal;
    - o 2-Way Voice ("Bundle I"): \$40.99 with credit card or automatic bank withdrawal;
    - o Cellular System ("Bundle II): \$44.99 with credit card or automatic bank withdrawal
    - 36-Month Monitoring Agreement required, unless a shorter time period is required by law
- 2. Elephant Group may offer additional ADT-approved products and services upon written notice to Dealer.

#### **EXHIBIT "B1"**

#### PROGRAM RESPONSIBILITIES

- 1. Responsibilities of Dealer. Dealer shall perform the following activities during the Term of the Promotion Agreement at Dealer's sole cost and expense, and under Dealer's exclusive control:
  - a) Dealer shall be responsible for all aspects of the sale and installation process to include: scheduling, confirmation calls, hardware, installation labor and reporting.
  - b) Dealer shall be responsible for all costs associated with credit reporting (including reimbursement of Elephant Group's incurred expense), collections and chargebacks.
  - c) Dealer agrees that Elephant Group Referrals/Leads will be treated no differently than Referrals/Leads originating from other sales sources; this includes installation availability, performance, service quality, and additional equipment pricing.
  - d) Establish with ADT a Elephant Group dealer number in all locations where Elephant Group Referrals/Leads are referred to Dealer.
  - e) Execute the Amendment to "Authorized Dealer Agreement with ADT" that authorizes ADT to make commission payments directly to Elephant Group and deduct such amounts from funding paid by ADT to Dealer.
  - f) Dealer will at all times designate a contact person that will be the primary interface with Elephant Group. The initial contact person will be \_\_\_\_\_\_. Dealer may change the contact person at any time by notifying Elephant Group in writing of the name and contact information of the new contact person.
- 2. Responsibilities of Elephant Group. Elephant Group shall perform the following marketing activities during the Term at Elephant Group's sole cost and expense:
  - (a) Elephant Group will promote the ADT Dealer Equipment and Services to generate Elephant Group Referrals/Leads.
  - (b) Elephant Group will acquire leads through a variety of marketing channels that include: partnerships, direct marketing and internet marketing. Elephant Group will pre-qualify those leads according to ADT Dealer requirements and refer only those qualified leads to Dealer that meet the agreed-to minimum requirements.

3. Joint Responsibilities (Term). Dealer and Elephant Group will, no less frequently than twice per month, jointly reconcile the order and payment status for each order referred by Elephant Group to Dealer and make any adjustments or credits on the next scheduled invoice.

### Exhibit "C1"

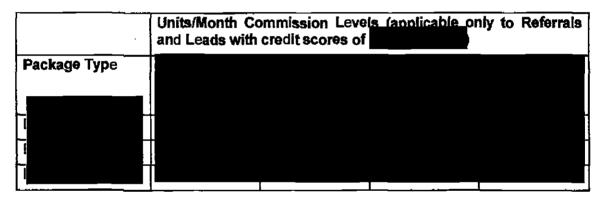
#### **COMMISSION SCHEDULE**

- 6. Referral: Dealer agrees to pay Elephant Group a commission for each occurrence of the following: (i) a customer executes a standard ADT Authorized Dealer Residential Alarm Services Agreement or any other ADT approved Residential Electronic Security Services contract, which contract was executed in response to a Elephant Group solicitation containing promotional material for the ADT Dealer Equipment and Services, as described in <a href="Exhibit A">Exhibit A</a> attached hereto; (ii) the sale and installation of the residential security system is completed by Dealer; (iii) the installation fee is received by the Participating ADT Dealer from the customer. Compensation for such Referrals or Commissionable Events shall be as set forth in the table in paragraph 9 below and subject to the Low Beacon Program.
- 7. A Qualified Lead: is any valid lead where the consumer affirmatively opted-in in a documented format and requested information about ADT alarm monitoring services from a Elephant Group website, call center or partner and Elephant Group delivers to ADT or a Participating ADT Dealer, such consumer's accurate name, address, daytime phone number, confirmation of home ownership and confirmation that such Lead is not then under contract with ADT or another alarm company. Participating ADT Dealers will have the option to participate in the Lead Program.
- 8. Completed Sale & Commissionable Event is defined as the occurrence of all of the following: (i) the customer referred to ADT by the Elephant Group either as a Lead or a Referral executing a standard ADT or ADT Authorized Dealer Residential Alarm Services Agreement or any other Residential Electronic Security Services contract then authorized by ADT for use by ADT for the provision of Electronic Security Services to ADT residential customers in response to an Elephant Group solicitation containing ADT Dealer promotional material for the ADT Dealer Equipment and Services, as described in Exhibit A attached hereto and made part of this Agreement; (ii) the installation of the residential security system by ADT Dealer; and (iii) payment by Customer to ADT Dealer for the installation price of the security system equipment.
- 9. For every Qualified Lead that Elephant Group provides a Participating ADT Dealer under the agreement, which is also a Completed Sale, Elephant Group will receive respectively a commission from the Participating ADT Dealer of Collars unless (i) ADT or ADT Dealer has previously received the Qualified Lead from another source within sixty (60) days of when Elephant Group provides the Qualified Lead, and (ii) ADT or ADT Dealer supplies documentation that it received the Qualified Lead within the sixty (60) day window and that the lead in question met all the requirements to be considered a Qualified Lead.

10. Provided that, neither 5, 6, 7 nor 8 will be a Commissionable Event if: (i) ADT or ADT Dealer has previously received the customer information regarding the Referral from another source within sixty (60) days of when Elephant Group provides the Referral, and (ii) ADT or ADT Dealer supplies documentation that it received the customer information regarding the Referral within the sixty (60) day window.

#### 11. Commission Amounts:

For each Commissionable Event or Referral with respect to a customer identified by Elephant Group Referrals with a credit score of Dealer agrees to pay Elephant Group the following commission amounts based on its Dealer Class and the Package type:



Dealer and Elephant Group agree to review Commission Amounts on a quarterly basis in good faith and make equitable adjustments to the Commission Amounts as agreed upon in writing by both parties.

# **Commission Payment Process:**

Commissions will be paid by Dealer to Elephant Group twice per month as follows:

On the 1st day of each month Elephant Group will present Dealer with an invoice reflecting all Referrals and Leads that occurred from between the 1st day and 15th day of the prior month. Dealer will work with Elephant Group in good faith to reconcile and revise the invoice as necessary. On the fifth day of the month, Elephant Group will forward the final invoice to ADT with a copy to Dealer. On or about the 10th day of the month ADT will pay Elephant Group and deduct from Dealer's next funding the invoice amount. If the aggregate amount that the Dealer is to be funded by ADT is not equal to or greater than the Commissions owed to Elephant Group, then Dealer will pay the final invoice amount directly to Elephant Group.

On the 16th day of each month Elephant Group will present Dealer with an invoice reflecting all Referrals and Leads that occurred from between the 16th day and last day of the prior month. Dealer will work with Elephant Group in good faith to reconcile and revise the invoice as necessary. On the 20th day of the month, Elephant Group will forward the final invoice to ADT with a copy to Dealer. On or about the 25th day of the month ADT will pay Elephant Group and deduct from Dealer's next funding the invoice amount. If the aggregate amount that the Dealer is to be funded by ADT is not equal to or greater than the Commissions owed to Elephant Group, then Dealer will pay the final invoice amount directly to Elephant Group.

### Low Beacon Program:

12. Dealer may elect to participate in Elephant Group's Low Beacon Program in which Dealer agrees to permit Elephant Group to promote on its behalf Electronic Security Services to Elephant Group Referrals with credit scores between Elephant Group is not entitled to a commission on the Referral if (i) ADT has previously received the lead from another source within sixty (60) days of when Elephant Group provides the Referral, and (ii) ADT supplies documentation that it received the Referral within the sixty (60) day window and that the lead in question met all the requirements to be considered a Qualified Lead.

#### **Commission Amounts Table**

Package Type (monthly monitoring Low Beacon Program Commission (all Dealers)\* rate)

- 1.
- 2.
- 3.

Participation in the Low Beacon Program requires Dealer to permit Elephant Group to promote on its behalf Electronic Security Services to Elephant Group Referrals with credit scores between and to pay according to the Commission Amounts Table above.

Participation in the Low Beacon Program is optional. A Dealer expresses its desire to participate or not to participate in the Low Beacon Program by checking the appropriate box below. Should a Dealer elect not to participate in the Low Beacon Program, neither Leads nor Referrals for such scores will be given to such Dealer.

Dealer wishes to participate in the Low Beacon Program.

[ ] Dealer does not wish to participate in the Low Beacon Program.

Dealer may elect to change its position with respect to its participation in the Low Beacon Program at any time by written notice to Elephant Group. Provided that, Dealer will notify both Elephant Group and ADT in writing of any changes to this election.

Commissions for the Low Beacon Program will be paid by Dealer to Elephant Group twice per month as follows:

- On the 1st day of each month Elephant Group will present Dealer with an invoice reflecting all Commissionable Events that occurred from between the 1st day and 15th day of the prior month. Dealer will work with Elephant Group in good faith to reconcile and revise the invoice as necessary. On the fifth day of the month, Elephant Group will forward the final invoice to Dealer. On or about the 10th day of the month Dealer will pay Security the invoice amount.
- On the 16th day of each month Elephant Group will present Dealer with an invoice reflecting all Commissionable Events that occurred from between the 16th day and last day of the prior month. Dealer will work with Elephant Group in good faith to reconcile and revise the invoice as necessary. On the 20th day of the month, Elephant Group will forward the final invoice to Dealer. On or about the 25th day of the month Dealer will pay Elephant Group the invoice amount.

# **Dealer Disputes:**

In the event that Elephant Group refers a Elephant Group Referral/Lead to a Dealer ("Dealer A") and for some reason another Dealer ("Dealer B") ultimately performs the installation, Elephant Group will be funded according to the process outlined in this Exhibit "C." Dealer A will receive the balance of the funding from ADT if Elephant Group provides proof of the referral to Dealer A before Dealer B provides proof of sale. Elephant Group's proof of the referral to Dealer A will be in the form of promotion call recordings between Elephant Group and the Elephant Group Referral or Lead.